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A HISTORY OF PUBLIC-SCHOOL SUPPORT IN MINNESOTA 1858 TO 1917

BY

FRANCES ELIZABETH KELLEY, M.A.

Price: 75 Cents

Published by the University of Minnesota
Minneapolis, December, 1920

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A HISTORY OF PUBLIC-SCHOOL SUPPORT IN MINNESOTA 1858 TO 1917

BY

FRANCES ELIZABETH KELLEY, M.A.

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PREFACE

Underlying every educational problem is the financial one, that of school support. Adequate buildings, better trained teachers, a more vital curriculum can be provided only as sufficient revenues are, first, furnished and, second, distributed in a manner to secure results commensurate with expenditure. Indeed, there is little doubt that a large proportion of the educational difficulties existing in the majority of our states are due to their antiquated systems of school finance. Methods and policies inherited from colonial days are still followed in many of our states, despite the fact that their inevitably disastrous effects have been pointed out again and again by students of school finance. Rapidly growing demands for vastly increased expenditures make reform imperative. But before we can undertake to formulate and adopt new laws and new policies it is necessary to know those now in force and the effects of the same. Nevertheless, at the present time such knowledge is exceedingly difficult to obtain. Indeed there are states in our Union in which not a single official report shows the total expenditure for schools.

In view of all these facts, and in view of the long standing need in practically every state in the Union of a thorough-going revision of school finance laws, policies, and methods, it is surprising that the subject has received so little attention from scientific students of education. It is true that several important and valuable studies have appeared, but these have limited themselves either to certain selected aspects of the problem, or else to a few types of funds. What is needed first of all is a complete and detailed study of the systems of school support in a number of individual states. Such complete studies must take into account not two or three but every type of school fund, state, county, and district, permanent and current. It is because Miss Kelley has done this in her study of the history of school support in Minnesota that her work is a distinct contribution to the scientific literature of an all important subject. Not only is it a distinctive contribution, but one which may, both in its method and in its scope, well serve as a model for similar studies of other states.

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Miss Kelley has not confined herself to a description of Minnesota's existing system of school support, but has traced the genesis of this system from the time of the State's admission into the Union. Consequently her study presents us with both an account of what now is and an explanation of why it is. Her work throughout bears the marks of indefatigable care, conscientiousness, and zeal. To one who has long been deeply interested in the problems of school finance and who has followed closely the development of the present study, it seems not too much to say that the importance of Miss Kelley's study and the quality of her work can scarcely fail to gain quick recognition, and that her history of school support in Minnesota will be given a place both permanent and honorable among scientific studies of the economic aspects of public education.

FLETCHER HARPER SWIFT

THE UNIVERSITY OF MINNESOTA,
OCTOBER 11, 1920.

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A HISTORY OF PUBLIC-SCHOOL SUPPORT IN MINNESOTA, 1858 TO 1917

CHAPTER I

INTRODUCTION

PRESENT SOCIAL AND EDUCATIONAL CONDITIONS —UNITS OF ADMINISTRATION— CLASSES OF SCHOOLS

In 1913 the total expenditure for common schools[a] in the United States was $555,077,146.[1b] This amount was raised in the forty-eight states by widely varying methods. In many states the existing method of school support is not the result of any scientific plan based upon sound economic and educational principles, but is merely a chaotic system growing out of successive attempts, some legislative, others administrative, to meet temporary needs and situations. There is no more fundamental problem in American education than the financial one. The amount of available school revenues determines the character of buildings and equipment, the quality of teachers, and, consequently, to a large extent, the quality of teaching. Those political and administrative units which furnish the major portion of school support exercise the strongest influence over school policies. The mode of apportionment of such moneys determines the educational standards and the lines along which the schools of the community develop.

The problem of school support in the United States has been treated in certain studies of the permanent school funds and of state aid, but for the most part specific information as to the school revenues of any state is scattered through the pages of state reports and statute books. The present study will attempt to trace the history of school support in one state, Minnesota, from 1858 to 1917. This covers the period from the admission

[1] *Rept. U. S. Commissioner of Educ., 1916 2:33* Table 14.

[a] Includes public elementary and high schools. See *Rept. U. S. Commissioner of Educ., 1916 2:15.*

[b] Data for 1913-14 are used here owing to the fact that they are the latest available for the whole United States.

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of the state into the Union to the latest date for which information is available at this time.

In order to approach intelligently our specific problem of school support, it is necessary to survey briefly some of the more important social and industrial conditions underlying the general educational situation, the salient characteristics of the school system, and its general organization.

EDUCATIONAL RANK OF MINNESOTA

Something of the general educational situation may be inferred from the following tables which show Minnesota's rank in the Union[c] in the year 1913-14 with regard to wealth and to certain matters pertaining to the school system.

TABLE I

EDUCATIONAL RANK OF THE STATE OF MINNESOTA

	RANK OF MINNESOTA
Total area (80,858 square miles)	13
Value of taxable property	10
Total valuation of property	11
Total expenditure for education	10
Expenditure for education per child	14
Literacy	9
School population (children 5 to 18 years)	19
Per cent of school population enrolled	28
Per cent of enrollment in attendance	18
Length of school term	27.5

TABLE II

EXPENDITURE FOR EDUCATION IN MINNESOTA 1905–15

YEAR	TOTAL EXPENDITURE	TOTAL ENROLLMENT	EXPENDITURE PER CHILD
1905	$ 8,954,064.26[2]	430,005[4]	$20.82
1915	19,833,230.00[3]	466,060[5]	42.55

DISTRIBUTION OF POPULATION AND WEALTH

Minnesota's school problem is essentially a rural one, with great inequality of educational opportunity as the most serious

[2] *Fourteenth Bienn. Rept. Minn. Supt. of Public Instr., 1905-6* p. 26.

[3] *Nineteenth Bienn. Rept. Minn. Dept. of Educ., 1915-16* p. 199 Table 18.

[4] *Fourteenth Bienn. Rept. Minn. Supt. of Public Instr., 1905-6* p. 24.

[5] *Nineteenth Bienn. Rept. Minn. Dept. of Educ., 1915-16* p. 174.

[c] Including the forty-eight states and the District of Columbia.

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defect. Wealth and population are very unequally distributed over the state; 70 per cent of the people live outside the cities of ten thousand or more, and the urban population is gathered into comparatively few cities. St. Paul and Minneapolis contain more than 25 per cent of the total population;[6] Duluth contains 3 per cent; and these three cities together with Mankato, St. Cloud, Stillwater, Virginia, and Winona, each of which has a population of more than ten thousand and fewer than twenty thousand, contain approximately 31 per cent of the total population of the state.

The northern part of the state, where the population is least dense, contains rich mineral deposits. The central and southern sections are excellent agricultural regions. In 1909 Minnesota ranked eleventh among the forty-eight states of the Union in regard to the total value of the farm crops produced.

The great differences in population are apparent from the average population per square mile of the counties of the state, varying as it does from fewer than 2 inhabitants per square mile in Cook County to 90 or more in Hennepin and Ramsey Counties.

The valuation of taxable property varies from $1,992,684 in Cook County to $324,256,080 in St. Louis County; the per capita expenditure for each pupil enrolled ranges from $15.63 in Beltrami County to $106.97 in Cook County with its small property valuation and population of fewer than two to the square mile. Benton County raises $1.74 by local taxation for each dollar of school money received from the state, while Cook County raises $5.80, and Hennepin County $8.73.[d]

The following table presents the facts concerning the density of population, the valuation of taxable property, the rate of special tax levies, the per capita expenditure for schools, and the comparative amounts of school support derived from county and from local sources for each county of the state. These statistics show which counties are taxing themselves to the point of sacrifice on behalf of their schools and which are depending upon state funds as a substitute for, rather than a supplement to, local funds.

[6] *Thirteenth Census of the U. S., 1910* 2:959.

[d] See Table III.

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TABLE III

(1) Population, (2) Total Valuation of Taxable Property, (3) Average Rate of Special School Tax for 1915–16, (4) Per Capita Expenditure for Each Pupil Enrolled, (5) Amount Raised by Local Taxation for Each Dollar of State Aid, for Counties of the State of Minnesota

Counties	Population per square mile[7e]	Total valuation of taxable property exclusive of moneys and credtis for 1915[8f]	Average rate of special school tax in mills voted for the year 1915–16[9]		Per capita expenditure for each pupil enrolled[10]	Amount raised by local taxation for each dollar received from the state[11]
			High- and graded-school districts	Rural- and semi-graded-school districts		
Aitkin	2–6	$5,955,503	20.8	16.2	$45.04	$2.82
Anoka	18–45	5,814,580	18.1	7.7	60.98	5.30
Becker	6–18	8,389,968	16.6	8.9	29.00	2.37
Beltrami	2–6	7,835,791	....[g]	14.0	15.63	3.66
Benton	18–45	4,712,974	....[g]	....[g]	20.50	1.74
Big Stone	18–45	6,575,311	....[g]	....[g]	78.67	5.09
Blue Earth	18–45	19,284,444	....[g]	....[g]	33.89	3.02
Brown	18–45	13,353,568	17.2	2.2	36.01	3.02
Carlton	18–45	6,191,461	29.2	17.0	46.46	2.84
Carver	45–90	9,780,727	15.6	2.5	42.21	3.31
Cass	2–6	5,493,874	40.0	15.0	45.63	2.18
Chippewa	18–45	9,399,010	....[g]	....[g]	48.59	4.65
Chisago	18–45	5,696,071	17.6	5.4	32.14	1.91
Clay	18–45	12,501,723	....[g]	....[g]	50.57	3.24
Clearwater	6–18	2,831,972	24.0	10.6	55.27	4.04
Cook	Less than 2	1,992,684	....[g]	....[g]	106.97	5.80
Cottonwood	18–45	11,672,132	19.9	2.6	30.84	2.23
Crow Wing	6–18	13,502,364	15.0	10.0	58.28	6.20
Dakota	18–45	14,199,550	....[g]	....[g]	35.76	2.81
Dodge	18–45	8,539,505	....[g]	....[g]	54.69	3.30

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TABLE III—*Continued*

Counties	Population per square mile[7e]	Total valuation of taxable property exclusive of moneys and credits for 1915[8f]	Average rate of special school tax in mills voted for the year 1915–16[9]		Per capita expenditure for each pupil enrolled[10]	Amount raised by local taxation for each dollar received from the state[11]
			High- and graded-school districts	Rural- and semi-graded-school districts		
Douglas	18–45	8,236,145	....g	....g	57.09	4.24
Faribault	18–45	15,706,393	....g	....g	33.45	2.47
Fillmore	18–45	16,670,170	....g	....g	38.37	2.09
Freeborn	18–45	15,478,565	12.9	3.2	36.47	3.37
Goodhue	18–45	17,708,085	17.3	3.8	42.16	3.32
Grant	6–18	6,220,541	14.2	4.0	39.11	2.74
Hennepin	90 or more	222,184,061	....g	....	52.60	8.73
Houston	18–45	7,110,355	17.8	4.2	27.35	1.99
Hubbard	6–18	3,476,089	....g	....g	27.09	.89h
Isanti	18–45	4,022,455	....g	....g	23.00	1.65
Itasca	6–18	25,178,517	....g	....g	70.09	3.80
Jackson	18–45	13,717,640	22.8	3.2	41.08	2.39
Kanabec	6–18	3,133,609	17.0	9.6	34.07	2.41
Kandiyohi	18–45	11,396,093	16.6	3.4	27.58	1.97
Kittson	6–18	6,470,307	....g	....g	32.51	2.32
Koochiching	2–6	6,591,380	53.7	48.0	69.57	2.77
Lac qui Parle	18–45	12,210,181	19.5	3.4	35.57	2.32
Lake	2–6	3,862,945	....g	....g	42.18	2.92
Le Sueur	18–45	10,143,131	20.5	3.3	45.29	2.66
Lincoln	18–45	7,426,512	....g	....g	27.64	1.95

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TABLE III—*Continued*

Counties	Population per square mile[7e]	Total valuation of taxable property exclusive of moneys and credits for 1915[8f]	Average rate of special school tax in mills voted for the year 1915–16[9]		Per capita expenditure for each pupil enrolled[10]	Amount raised by local taxation for each dollar received from the state[11]
			High- and graded-school districts	Rural- and semi-graded-school districts		
Lyon	18–45	13,337,374	....g	....g	35.15	2.65
McLeod	18–45	11,234,793	....g	....g	33.75	2.19
Mahnomen	2–6	2,191,872	....g	....g	36.77	2.04
Marshall	6–18	10,257,584	....g	....g	53.17	3.84
Martin	18–45	14,597,664	20.7	10.3	56.33	4.72
Meeker	18–45	10,783,119	....g	....g	28.65	1.89
Mille Lacs	18–45	4,239,780	....g	....g	45.72	3.12
Morrison	18–45	9,137,721	19.5	6.9	26.23	2.13
Mower	18–45	16,615,668	17.7	4.2	49.44	4.11
Murray	6–18	11,969,426	21.6	3.2	35.39	2.51
Nicollet	18–45	8,815,837	....g	....g	29.79	1.83
Nobles	18–45	15,187,496	13.4	3.3	41.71	2.95
Norman	6–18	8,077,626	21.0	5.0	33.99	2.54
Olmsted	18–45	15,077,037	....g	....g	86.37	7.76
Otter Tail	18–45	17,859,134	....g	....g	27.89	2.40
Pennington	6–18	4,232,511	....g	....g	34.58	2.57
Pine	6–18	6,588,107	....g	....g	30.02	1.62
Pipestone	18–45	8,601,381	....g	....g	31.69	2.38
Polk	18–45	19,484,697	31.6	5.4	43.61	3.61
Pope	18–45	7,329,679	....g	....g	47.97	3.49
Ramsey	90 or more	11,925,630	14.9	7.6	43.62	6.08
Red Lake	6–18	3,298,747	....g	....g	35.30	2.36
Redwood	18–45	15,261,483	18.0	10.0	54.12	3.57
Renville	18–45	16,432,760	14.9	3.0	37.33	2.07
Rice	45–90	13,651,657	14.0	4.2	64.34	5.81

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TABLE III—*Continued*

Counties	Population per square mile[7e]	Total valuation of taxable property exclusive of moneys and credits for 1915[8f]	Average rate of special school tax in mills voted for the year 1915–16[9]		Per capita expenditure for each pupil enrolled[10]	Amount raised by local taxation for each dollar received from the state[11]
			High- and graded-school districts	Rural- and semi-graded-school districts		
Rock	18–45	11,625,254	10.1	2.5	32.77	2.70
Roseau	6–18	4,863,843	....g	....g	32.09	2.33
St. Louis	18–45	324,256,080	....g	....g	65.79	8.13
Scott	18–45	7,444,944	16.5	4.6	33.24	2.12
Sherburne	18–45	3,890,895	....g	15.0	39.49	2.78
Sibley	18–45	11,148,900	....g	....g	26.65	1.70
Stearns	18–45	20,909,913	....g	....g	47.09	4.72
Steele	18–45	10,476,585	....g	8.0	28.69	2.00
Stevens	6–18	7,320,692	21.5	4.7	41.66	2.77
Swift	6–18	9,624,171	....g	....g	50.69	3.50
Todd	18–45	9,232,141	39.1	....g	40.51	4.02
Traverse	6–18	6,625,562	26.0	3.3	55.68	3.34
Wabasha	18–45	10,101,087	55.0	....g	37.54	2.34
Wadena	6–18	3,381,118	27.6	9.3	30.51	2.76
Waseca	18–45	8,707,757	20.9	3.2	31.45	1.92
Washington	45–90	10,618,457	14.1	6.2	50.46	3.68
Watonwan	18–45	8,861,040	20.4	2.4	36.37	2.92
Wilkin	6–18	7,441,983	23.0	4.7	39.42	2.79
Winona	45–90	16,691,690	....g	....g	59.05	6.28
Wright	18–45	13,287,388	....g	....g	34.62	2.09
Yellow Medicine	18–45	11,599,879	14.0	....g	32.04	2.21
Average for State						4.03

[7] All data in this column from *Thirteenth Census of U. S., 1910* 2:963.

[8] All data in this column from *Rept. Minn. Auditor, 1915-16* p. 554.

[9] All data in these columns from *Nineteenth Bienn. Rept. Minn. Dept. of Educ., 1915-16* p. 184 Table 16.

[10] All data in this column computed from data given in *Nineteenth Bienn. Rept. Minn. Dept. of Educ., 1915-16* pp. 18-19, Table 7; and pp. 204-5 Table 20.

[11] All data in this column from *Nineteenth Bienn. Rept. Minn. Dept. of Educ., 1915-16* pp. 18-19 Table 7.

[e] Data taken from the map referred to in the numbered footnote. This map merely groups the counties according to population per square mile, e.g., Aitkin County belongs in the group of counties having a population of from 2 to 6 inhabitants per square mile.

[f] Report from this county not complete.

[g] Not given in report from which these data are taken.

[h] Moneys and credits are taxed separately by a uniform state levy. See Chap. III.

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SCHOOL UNITS

The units of organization and administration in the Minnesota school system are the state, the county, and the district. Of these, the state and the district are of greatest importance at the present time in the matter of school support. The state officers in charge of education are (1) the superintendent of education, appointed by the governor and approved by the senate; (2) a deputy superintendent; (3-5) three assistants; (6) a rural school commissioner; and (7) supervisor of school libraries, all of whom (2-7) are appointed by the superintendent of education;[12] (8) the State High School Board.[1] This board is composed of the state superintendent, the president of the State University, the president of the Board of Normal Directors, the superintendent or principal of a high school, and one other person appointed by the governor and confirmed by the senate.[13] Other state officers whose duties include some phase of school administration are (9) the auditor of the state, who has supervision of all state lands;[14] (10) the board of investment, composed of the governor, state treasurer, state auditor, attorney-general, and the president of the board of regents, who have charge of the investing of state trust funds, including the school funds.[15]

There are eighty-six counties in the state; in these the chief educational officer is the county superintendent of schools, who is a local supervisory officer with general advisory duties, elected by the people of the county for a term of four years.[16] In counties in which not all the territory is organized into school districts, there is also a county board of education composed of the chairman of the board of county commissioners, the county superintendent of schools, and the county treasurer,[17] whose duty it is to provide for the education of pupils in the unorganized territory.[18]

School districts in Minnesota are of three kinds: special, independent, and common.[19] The term, consolidated district, also

[12] *Revised Statutes of Minn., 1913* sec. 2870 p. 642.

[13] *Ibid.* sec. 2888 p. 644.

[14] *Gen. Laws of Minn., 1913* chap. 4 sec. 65 p. 20.

[15] *Revised Statutes of Minn., 1913* sec. 5245 p. 1144.

[16] *Ibid.* sec. 810 p. 177.

[17] *Ibid.* sec. 2777 p. 626.

[18] *Ibid.* sec. 2776 p. 626.

[19] *Ibid.* sec. 2671 p. 604.

[1] The law mentions a state board of education, but expressly directs that if that board is not provided for by law, the authority granted it shall vest in the State High School Board and the state superintendent. (*Gen. Laws of Minn., 1915* chap. 296 Sec. 16, p. 419.)

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occurs, but this indicates the origin of the district and the type of school maintained rather than a peculiar type of organization,[20] for the law provides that "the board of a consolidated school district shall form, and after the foundation of the consolidated district shall have all the powers, privileges, and duties now conferred by law upon boards of independent districts."[21] While there are no requirements made by law concerning the differences between common and independent districts, it is the evident intention that larger and more populous districts are to be organized as independent districts, since the board of a common-school district of ten or more townships is under the same requirements and provisions as is that of an independent school district.[22] A common-school district elects a school board of three members: a chairman, a treasurer, and a clerk.[23] An independent school district has a board consisting of six members, two of whom are elected each year.[24] The school board of an independent district exercises certain functions, including that of levying the school tax, which in a common district are reserved to the electors. The chief differences between common and independent districts lie in this extension of the powers of the school board of the independent district and in the amount of tax levy permitted. As this concerns school revenues directly, it will be discussed under the head of the sources of local support.

Special districts are those which have been organized under special acts of the legislature. Special legislation in such matters was forbidden by an amendment to the constitution adopted in 1892,[25] but owing to the small number of cities in the state, certain provisions concerning districts containing more than ten, twenty, or fifty thousand inhabitants are practically special legislation. These, however, affect very few communities.

PUBLIC SCHOOLS CLASSIFIED AND DEFINED

The statutes of Minnesota classify and define the public schools. The character and amount of state aid given to schools in Minnesota as well as the amount of local tax levy permitted

[20] *Session Laws of Minn., 1915* chap. 238 sec. 4 p. 337.

[21] *Ibid.*

[22] *Gen. Statutes of Minn., 1913* sec. 2785 p. 627.

[23] *Ibid.* sec. 2732 p. 617.

[24] *Ibid.* sec. 2733 p. 617.

[25] *Minn. Constitution* art. 4 sec. 33.

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for their support is largely determined upon the basis of the class to which any particular school belongs. It is, therefore, necessary at the outset to present this classification. The laws of Minnesota for 1915 and later years define the various classes of schools more carefully and explicitly than was done in the earlier statutes. As will be observed, however, from the following quotation, there seems to be no clear distinction made between the terms *public school* and *district school*. Aside from this, the classification formally provided in the laws is generally consistent and will be followed in this paper.

The following is the classification and definition provided in the statutes:

> All schools supported in whole or in part by state school funds shall be styled *public schools*, and admission to and tuition therein shall be free to all persons between the ages of five and twenty-one years, in the district in which such pupil resides, provided, that the school board of any district may, by resolution, exclude all children under six years of age.[26]

District schools are divided into four classes, as follows: (1) high schools, (2) graded schools, (3) semi-graded schools, (4) common schools.[27]

In order to be ranked as a high school, a school must satisfy the following requirements: 1. It shall be in session not less than nine months in the year. 2. It shall admit, free of tuition, students of either sex resident in the state who have passed the prescribed entrance examination. 3. It shall have a regular and orderly course of study as prescribed by the State High School Board and an optional English or business course in addition thereto or in lieu thereof. 4. It shall be subject to the rules and open to the visitation of the State High School Board.[28j]

Graded schools include all schools below high schools which (1) are in session at least nine months in the year; (2) are well organized, having at least four departments in charge of a principal holding a state professional certificate, or a graduate from the advanced course of a state normal school, or of a reputable college or university; (3) have a suitable schoolhouse and other

[26] *Gen. Statutes of Minn., 1913* sec. 2670 p. 604.

[27] *Ibid.* sec. 2798 p. 629.

[28] *Ibid.*

j Many of the most important requirements for classification as a high school are determined by the rules of this board.

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necessary buildings, library, and apparatus; (4) have regular and orderly courses of study embracing all such branches as may be prescribed by the High School Board.[29]

Semi-graded schools are those not complying with the provisions for high or graded schools, but which (1) maintain a school for at least eight months in a year; (2) are well organized with at least two departments in charge of proficient teachers, at least one of whom holds not less than a first-grade certificate; (3) have a regular orderly course of study and comply with rules established by the state superintendent;[30] (4) have suitable buildings, library, and apparatus.

All other district schools are common schools.[31]

[29] *Gen. Statutes of Minn., 1913* sec. 2799 p. 629.

[30] *Ibid.* sec. 2800 p. 629.

[31] *Ibid.* sec. 2801 p. 629.

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CHAPTER II

SURVEY OF EXISTING METHODS OF STATE SCHOOL SUPPORT

Present public-school support in Minnesota is divided into two types, state and local.[a] For the purpose of this study, local school support may be defined as consisting of all moneys kept by or returned to the district where they originate, even though they are raised under a compulsory state law. State school support consists of those moneys derived from sources immediately under the control of the state and disbursed by it to the various school units upon other bases than the source of the revenues. State support may be again divided into the moneys arising from permanent or trust funds and those derived from the current revenues of the state. School support in Minnesota is derived from all of these sources. The present chapter is concerned with a study of the system of the state support of public schools.

The total revenues for public schools in Minnesota for the school year 1915-16 amounted to $21,784,421.82. These were derived from the sources named in the following table.

TABLE IV

MINNESOTA SCHOOL REVENUES FOR 1915-16[b]

SOURCES	AMOUNT	PER CENT OF TOTAL REVENUE
All sources	$21,784,421.82	100
All state sources	4,330,433.37	19+
All local sources	17,453,988.45	80+
State apportionment (current school fund)	2,388,218.70	10+
State special aid	1,942,214.67	8+
Local one-mill tax	1,510,933.16	7+
Special local tax	10,547,366.33	48+
Bonds sold and all other sources	5,395,688.96	24+

[a] No treatment of federal support of public schools is included here, since it is neither a present nor historical type of support but belongs purely to the future development of the school system.

[b] Data in this table computed from *Rept. Minn. Dept. of Educ., 1916* pp. 18-19 Table 7.

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The sources of school support in Minnesota are provided in part by the constitution and in part by statutes. The present state constitution provides:

(1) that the principal from the sale or lease of school lands shall be a permanent school fund,[1]

(2) that not more than one third of said lands may be sold in two years; one third in five years; and one third in ten years; but the lands of greatest valuations shall be sold first; provided, that no portion of said lands shall be sold otherwise than at public sale,

(3) that the income from this fund shall be distributed to the townships of the state in proportion to the number of scholars in them,

(4) that one half of the income from the Swamp Land Fund shall be a school fund,[2]

(5) that no state moneys shall be expended for the support of sectarian schools,[3]

(6) that the permanent funds of the state may be invested in local bonds.[4]

The provision for the investment of the principal of the permanent fund in local bonds was adopted as an amendment in 1904. Its adoption was secured only after it had been repeatedly submitted to the voters of the state. When that provision, in turn, needed revision, no further amendment was offered, but a law was passed by the Legislature of 1913 increasing the required rate of interest to 4 per cent,[5] and under this law the moneys of the trust fund are now invested.

The operation of these clauses indicates the nature of the problem of determining what provisions should be included in a state constitution. The difficulty of changing constitutional provisions is a distinct aid in the maintaining of wise and conservative measures, but is also a great hindrance in making such changes in administration as new conditions may require.

[1] *Minn. Constitution* art. 8 sec. 2.

[2] *Ibid.*

[3] *Ibid.* sec. 3.

[4] *Ibid.* sec. 6.

[5] *Gen. Statutes of Minn., 1913* sec. 5245 p. 1145.

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SOURCES OF STATE SUPPORT

Minnesota derives its revenues for state support of public schools from the two types of sources mentioned above: permanent or trust funds, and the current revenues of the state. These may be divided as follows:

I. Permanent school funds
   A. The Permanent School Fund
   B. The Swamp Land Fund
II. Current revenues of the state
   A. The Annual School Fund or special appropriations for school support
   B. State 1-mill school tax
   C. Proceeds of certain fines

Five state funds are named in the school laws.[c] The more specific definitions of these funds are found in the later statutes. The constitution of Minnesota provides no name for any of the school funds except the Common School Fund, and here the name and definition are matters of implication rather than of specific provision. A clause of the amendment of 1881 provides that one half of the income from the principal derived from the sale of swamp land "be appropriated to the Common School Fund of the State."[6] Inasmuch as the income from the Swamp Land Fund is disbursed with the other apportioned funds, the term Common School Fund as used here may be regarded as equivalent to the Current School Fund[7] of the Statutes of 1913, that is, the whole available annual revenue apportioned among the schools of the state.

The State has two permanent school funds, the Permanent School Fund and the Swamp Land Fund. These names are used for these funds in the state reports and are established by custom and usage.

[6] *Minnesota Constitution* art. 8, sec. 2.

[7] *Gen. Statutes of Minn., 1913* sec. 2915 p. 648.

[c] No discussion is given of the Teachers' Insurance and Retirement Fund, inasmuch as this fund is derived from assessments upon the members of the fund association and from a special tax, and the fund is not included in any report of educational receipts or expenditures. (See *Session Laws of Minn., 1915* chap. 199, 268.)

In the same way the receipts from the State Teachers' Employment Bureau, which are turned into the general revenue fund of the State, are not included here. (See *Gen. Laws of Minn., 1913* chap. 523.)

Fees collected for teachers' examinations go into the Institute Fund, from which state expenses for holding examinations and teachers' institutes are defrayed.

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Definite effort has been made to provide names for the current or annual school revenues, but the result is often confusing rather than helpful. The Statutes of 1915 name and define the following funds: (1) the Endowment Fund, which shall consist of the income from the Permanent School Fund;[8] (2) the Annual Fund, which shall consist of the sums appropriated by the legislature for special aid to public schools or departments in the schools;[9] (3) the Current School Fund, which shall consist of the amount derived from the state 1-mill tax.[10]

In several particulars these titles and definitions are not entirely satisfactory. The definition given for the Endowment Fund is incomplete, since it is provided by law that one half of the income from the Swamp Land Fund be added to that from the Permanent School Fund,[11] and this combined income must be regarded as the Endowment Fund, although it is not specifically so stated. The term Endowment Fund is, itself, misleading, as it might lead the reader to suppose that it referred to the principal of another permanent fund, and that Minnesota possessed a third endowment fund in addition to the two permanent funds mentioned above, while, as a matter of fact, it refers only to the annual income from these funds.

The definition of the Current School Fund is particularly unsatisfactory because this term had already been differently defined in the Statutes of 1913. These provide that the *proceeds of the state 1-mill school tax* "shall be added to the *General School Fund*, which shall then be known as the *Current School Fund*."[12] It is in this sense that the term Current School Fund appears to be used in the report of the Department of Education for 1915-16.[13] Unless this definition of Current School Fund is retained, we are left without any terms to designate the total state school revenues apportioned with the income from the permanent school funds.

[8] *Session Laws of Minn., 1915* chap. 296 sec. 1 p. 416.
[9] *Ibid.*
[10] *Ibid.*
[11] *Minn. Constitution* art. 8 sec. 2.
[12] *Gen. Statutes of Minn., 1913* sec. 2915 p. 648.
[13] *Rept. Minn. Dept. of Educ., 1915* p. 12 Table 3.

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Although these titles and definitions are frequently confusing rather than helpful, they are the only ones provided by the laws of Minnesota and will be used here, as far as possible, in the sense apparently intended by law.

PERMANENT PUBLIC-SCHOOL FUNDS

We may now turn to a consideration of the permanent public-school funds, of which Minnesota has two, the Permanent School Fund and the Swamp Land Fund. The total income from the Permanent School Fund is devoted to the public schools; one half of the income from the Swamp Land Fund is appropriated to the same use, and the incomes from the two are apportioned together. These are bona-fide trust funds arising from the proceeds of federal-land grants. The principal has always been carefully invested, and the state reports reiterate the statement that not a dollar of the money principal has ever been lost.

According to the report of the state auditor, the Permanent School Fund in 1916 consisted of $26,411,769.46[14] and 649,129.31 acres of unsold lands, with an estimated valuation of $3,537,799.40.[15]

In 1916, according to the auditor's report, the Swamp Land Fund consisted of $5,328,325.35[16] and of 1,378,265.24 acres of unsold swamp lands.[17] The minimum valuation fixed by law for swamp lands is $5,[18] but the swamp lands sold in 1916 brought an average price of $6.97.[19] Estimated upon this basis, the value of these unsold lands would amount to approximately $9,606,508.72. No reliable estimate, however, of the value of Minnesota's swamp land is possible, for title to 1,097,147.35 acres of swamp land is in dispute between the federal government and the state of Minnesota.[20]

In this connection it should be noted that estimates of the value of Minnesota school lands vary widely. The 1913-14 report of the commissioner of education estimates the value of the school and swamp lands at $180,000,000. It is evident

[14] *Rept. Minn. State Auditor, 1915-16* p. v.

[15] *Ibid.*

[16] *Ibid.* p. vi.

[17] *Ibid.* p. 3.

[18] *Gen. Statutes of Minn., 1907.*

[19] *Ibid.*

[20] *Ibid.* p. xviii.

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that this differs greatly from the estimates given above of $3,537,799 and $9,606,508.72 respectively for the funds. It is probable that this divergence arises from an attempt, on the one hand, to include the mineral and timber values together with the surface value, while the smaller sums represent the surface value alone.

The management of the principal of the Permanent School Fund and of the Swamp Land Fund is in the hands of the Board of Investment, which is composed of the governor, the state treasurer, the auditor, the attorney-general, and the president of the Board of Regents of the state university.[21] The first three are empowered to act upon loans of trust funds to counties, districts, towns, and cities within the state, but the action of the whole board is necessary for the purchase of any other securities than these local bonds.[22]

Because of the amount of money to be invested annually and the technical nature of some of the investigations which are necessary in order to guard the interests of the state, the Legislature of 1917 empowered the Board of Investment to employ a secretary at a salary of $3,000 per year. He "shall, under the direction of said Board of Investment, have general supervision of the investigation of applications for loans, the negotiations of new investments, examination of securities, and the records of municipalities applying for loans."[23] Mr. W. H. Lamson was appointed as the first secretary under this act and entered upon his duties August 1, 1917.[e]

The constitution provides for the investment of state trust funds, including the school funds, in bonds of the United States, of Minnesota issued since 1860, of any other state designated by law, or of any county, township, town, city, village, or school district in the state of Minnesota, provided that such bonds bear not less than 3 per cent interest, and together with all other liabilities do not constitute an indebtedness greater than 15 per cent of the assessed valuation of the real estate of the municipality.[24] This constitutional provision is now superseded by

[21] *Gen. Statutes of Minn., 1913* sec. 5245 p. 1144.

[22] *Ibid.*

[23] *Session Laws of Minn., 1917* chap. 271 p. 409.

[24] *Ibid., 1915* chap. 296 sec. 1 p. 416.

[e] Information furnished by the state auditor's office in response to author's personal inquiry, May 4, 1918.

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a statute of 1913 requiring that such bonds bear not less than 4 per cent interest.[25]

Investment in bonds issued to aid in the construction of any railway is expressly forbidden.[26]

The following statement of the investment of the Permanent School Fund is taken from the report of the auditor for 1915-16.

TABLE V

INVESTMENT OF THE MONEY PRINCIPAL OF THE PERMANENT SCHOOL FUND[27]

Cash in treasury, (less $7,780 O. S. warrants)	$ 566,148.98
Land contracts[f]	5,944,602.83
Bonds as follows:	
Alabama, ($143,000) 4 per cent	138,637.50
Delaware, 3 per cent	4,000.00
Massachusetts, 3½ per cent	2,595,000.00
Massachusetts, 3 per cent	300,000.00
Virginia, ($714,000) 3 per cent	663,600.00
Utah, 3½ per cent	100,000.00
Minn. school districts, cities, townships, counties, etc.	15,675,597.15
Minn. inebriate hospital certificates of indebtedness[g]	30,000.00
Minn. prison building certificates of indebtedness[g]	177,000.00
Minn. Armory building certificates of indebtedness[g]	92,200.00
Minn. Itasca Park land certificates of indebtedness[g]	125,000.00
Total	$26,411,796.46

Table VI, on opposite page, shows the investment of the Swamp Land Fund.

The provision that no part of the trust funds of the state shall ever be alienated has been very scrupulously observed in Minnesota. In 1917 the state held, representing investments of portions of the Permanent School Fund and of the Swamp Land Fund, certain bonds of other states which bore as little as 3 per cent per annum, but which were not salable at the

[25] *Gen. Statutes of Minn., 1913* sec. 5245 p. 1143.

[26] *Ibid.*

[27] *Rept. Minn. State Auditor, 1915-16* p. v.

[f] Land contracts are those contracts under which settlers are paying for state lands purchased by them.

[g] Concerning these investments the state auditor writes as follows:

"The State has no bonded debt, but certificates of indebtedness have been authorized by the legislature for various purposes. Many are held by the school and other state funds. They run only a few years. Payment of the above (state certificates of indebtedness for prison buildings, inebriate hospital, educational buildings, national guard armories, and Itasca Park) are all provided for by special tax levies, except the inebriate hospital certificates, which are payable from the income from the two per cent received from liquor licenses issued by local municipalities." (*Rept. Minn. State Auditor, 1913-14* p. ix.)

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price which had been paid for them originally. Since it would be possible to reinvest the proceeds of these bonds in such a manner as to yield the state a higher rate of interest, it was thought wise to sell them. In order to legalize their sale at an apparent loss, the Legislature of 1917 empowered the board to sell them and to make provision to reimburse the permanent funds for this loss.[28] The profits from previous bond sales and an appropriation of $100,000 were made immediately available for this purpose, and the board was further empowered to cover any prospective loss by creating a fund derived from charging a bonus upon the bonds of municipalities of the state purchased by the board, not to exceed one-fourth per cent per annum for the period of the loan. Exemption from such a bonus is at the pleasure of the board.[29]

TABLE VI

INVESTMENT OF THE MONEY PRINCIPAL OF THE SWAMP LAND FUND[30]

Cash in state treasury, (less $9,312.50 O. S. warrants)	$ 81,892.55
Land contracts	2,649,312.80
Bonds as follows:	
Virginia ($100,000)	96,980.00
Minnesota school district, township, counties, etc.	2,456,140.00
Minnesota Armory Board certificates of indebtedness	45,000.00
Total	$5,328,325.35

All state lands, including the school lands, are under the general supervision of the auditor of the state, who has charge of the leasing and sale of them.[31] The amount to be sold in any year is limited to 100,000 acres,[32] and no pine land can be sold until the timber has been sold.[33] The law puts a minimum valuation of $5 on the school land[34] and swamp land[35] of the state.

ANNUAL FUND OR SPECIAL APPROPRIATIONS

The special appropriations for the aid of public schools made by the state legislature are known as the Annual Fund.

[28] *Session Laws of Minn., 1917* chap. 464 p. 765.
[29] *Ibid.*
[30] *Rept. Minn. State Auditor, 1915-16* p. vi.
[31] *Gen. Statutes of Minn., 1913* sec. 65 p. 20.
[32] *Ibid.* sec. 5402 p. 1135.
[33] *Ibid.*
[34] *Ibid.*
[35] *Gen. Statutes of Minn., 1907.*

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At the present time the law names twenty-one types of schools, districts, and departments of instruction which are entitled to aid from the Annual Fund.[i] Besides these, the state makes other special appropriations: (1) for schools which are located on Indian reservations, (2) for training schools and teachers' examinations, and (3) for replacing the income lost by the State's use of school lands. For all these purposes, and for the Annual Fund, the Legislature of 1913 appropriated $2,098,475 for 1915.[36]

STATE SCHOOL TAX OR CURRENT SCHOOL FUNDS

For the support of public schools and of the state university a tax of 1.23 mills is levied annually. The proceeds from the .23 mill are appropriated to the state university; the proceeds of the 1-mill tax are added to the General School Fund, which is then known as the Current School Fund.[37j]

FINES AND FORFEITURES

The fourth source of state aid is found in the forfeiture for insurance on an excessive valuation, which is payable to the state school fund.[38k]

DISBURSEMENT OF STATE AID

Second only in importance to the provision of adequate school revenues is the method of their disbursement, particularly that of the moneys arising from state funds or state taxation. The apportionment of these revenues usually gives the chief, if not the only, means for a centralization of administration and for securing equality of educational opportunities and conditions. If state funds are so disbursed as to encourage or permit some districts to regard them as substitutes for, rather than supplements to, local taxation, they may largely fail of their purpose, namely: to provide adequate and equal educational opportunities for the children of the whole state. And it is with this purpose in mind that the basis of apportionment should be determined.

[36] *Eighteenth Bienn. Rept. Minn. Supt. of Public Instr., 1913-14* p. 14.

[37] *Gen. Statutes of Minn., 1913* sec. 2915 p. 648.

[38] *Ibid.* sec. 3323 p. 741.

[i] These objects benefited by the Annual Fund are discussed in detail under the disbursement of that fund. See p. 24.

[j] This is the definition provided by the Statutes of 1913 and is the meaning of the term as used in current state reports. See chap. I.

[k] Many other fines and forfeitures go to the school fund of the county or township where they are collected and are administered with it by the same officials.

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Three types of apportionment are used for state aid in Minnesota: (1) those based upon school attendance, (2) those based upon financial weakness of districts, and (3) flat sums for the benefit of special types of education.

The laws provide a different basis of apportionment, different requirements for participation, and different penalties for misuse for each of the school funds. For this reason the disbursement of each fund will be discussed separately.

APPORTIONMENT OF THE CURRENT SCHOOL FUND[1]

The income from the Permanent School Fund, one half of the income from the Swamp Land Fund, and the residue remaining after certain amounts have been subtracted from the proceeds of the state school tax are combined, and the total revenue so derived is designated as the Current School Fund.[39] This money is 'distributed semi-annually to the school districts whose schools have been in session at least six months, in proportion to the number of scholars of school age who have attended school at least forty days during the preceding year."[40] The constitution provides that distribution be made "to the different townships throughout the state, in proportion to the number of scholars in each township, between the ages of five and twenty-one years."[41] It further adds the requirement of a six months' term of school and defines a "scholar" as a pupil who has been in attendance at school forty days or more. The state superintendent apportions this fund among the counties of the state on the first Monday of March and of October of each year.[42] Upon receiving a copy of such apportionment, the state auditor draws his warrant on the state treasury payable to the state treasurer, for the amount due each county. The state treasurer applies this amount in his semi-annual settlement with each county named in the apportionment, and, if the amount due any county exceeds the amount due from that county for state taxes, he transmits to the county treasurer the amount of such excess.[43] Distribution on this basis entirely fails to further the equalization of educational opportunities, as is apparent from a

[39] *Gen. Statutes of Minn., 1913* sec. 2915 p. 648.

[40] *Session Laws of Minn., 1915* chap. 296 sec. 3 p. 416.

[41] *Minn. Constitution* art. 8 sec. 2.

[42] *Laws of Minn. Relating to the Public School System, 1915* sec. 183 p. 60.

[43] *Gen. Statutes of Minn., 1913* sec. 2896 p. 645.

[1] Current School Fund is used here in the sense of the 1913 definition of that term. See p. 15.

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comparison of the amount of state aid received by a twenty-pupil school in a poor district with that received by a forty-pupil school in a populous and wealthy district.

The money thus apportioned can not be used in the support of any sectarian school,[44] nor any school classifying or separating pupils according to race, color, social position, or nationality.[45] Neither can it be used for any other purpose than the payment of the teachers' wages.[46]

Three requirements are made for participation in the Current School Fund. The district must have maintained a school for a term of six months within the year.[47] The term reports must have been made by the teacher to the county superintendent, and by him to the state superintendent on or before September 20th.[48] The third requirement is that no district shall receive in any year from the apportioned fund (i.e., the Current School Fund and local funds apportioned on the same basis) a greater amount than that appropriated by such district from its special and local 1-mill tax for that year, unless such district has levied for such year the maximum amount allowed by law for school purposes.[49]

It is further provided that the year's apportionment shall be forfeited by any district not complying with the law concerning participation and forbidden uses. Besides these penalties put upon the districts, the law provides penalties also for officials who fail to fulfill their duties.

> Any treasurer who uses money applicable for teachers' wages for any other purpose shall be personally liable to any teacher who becomes entitled to any part of such fund for such amount.[50]

Any county auditor who fails to make to the state superintendent any report of apportionment required by law,[51] or any county superintendent failing to make required reports to the county auditor or to the state superintendent[52] shall forfeit $50 to the benefit of the school fund of the county. And no

[44] *Minn. Constitution* art. 8 sec. 2.

[45] *Gen. Statutes of Minn., 1913* sec. 2901 p. 646.

[46] *Laws of Minn. Relating to the Public School System, 1915* sec. 183 p. 60.

[47] *Session Laws of Minn., 1915* chap. 296 sec. 3 p. 416.

[48] *Laws of Minn. Relating to the Public School System, 1915*, note on sec. 181 p. 60.

[49] *Ibid.* sec. 183 p. 60.

[50] *Gen. Statutes of Minn., 1913* sec. 2762 p. 624.

[51] *Ibid.* sec. 2906 p. 647.

[52] *Ibid.* sec. 2907 p. 647.

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payment of wages can be made to any teacher who is in default in making required reports.[53]

DISBURSEMENT OF THE PROCEEDS OF THE STATE SCHOOL TAX

The net proceeds of the state school tax, sometimes referred to as the Current School Fund,[m] are disbursed in two parts.

1. The state auditor sets aside from it annually an amount not to exceed $150,000, which is used for the following purposes: (a) to assist districts not having a state high school or graded school where a levy of 15 mills does not raise $500 for each school in session seven months, (b) to make up any deficit in the Annual Fund, (c) to pay the tuition of non-resident pupils in industrial departments.[54]

2. The balance, as has already been said, is then added to the Endowment Fund and is distributed on the same basis and at the same time as that fund, the whole being known as the Current School Fund.[55n]

Not more than $200 may be apportioned for the aid of any one school in a district where a levy of 15 mills does not raise $500 for each school in session seven months.[56] With regard to the use of the fund for the payment of non-resident pupils' tuition, the law says:

> The State Board of Education shall make proper rules relating to enrollment, attendance, rates of tuition, payment of endowment and current funds on account of such non-resident pupils.[57]

A further use of the Current School Fund[n] is found in the laws for 1915 which provide that the state superintendent may grant permission to any district having not fewer than five deaf or blind or speech-defective or subnormal pupils between the ages of four and ten years to establish separate classes with separate teachers for such pupils. There shall be paid of the Current School Fund in the state treasury annually in the month of July the sum of $100 for each defective child instructed in such school or schools.[58]

[53] *Ibid.* sec. 2834 p. 636.

[54] *Session Laws of Minn., 1915* chap. 296 sec. 13 p. 418.

[55] *Gen. Statutes of Minn., 1913* sec. 2915 p. 648.

[56] *Session Laws of Minn., 1915* chap. 296 sec. 13 p. 418.

[57] *Ibid.* chap. 296 sec. 14 p. 418.

[58] *Ibid.* chap. 194 p. 259.

[m] The definition and discussion of this fund will be found on p. 15.

[n] The law was passed in the same year as the act defining the Current School Fund as the income from the state 1-mill tax. See p. 15.

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TABLE VII

Objects Aided by the Annual Fund[o]

School, Department, etc., for which apportionment is made	Requirement for participation	Amount of annual aid
1. Rural school	1. In session 8 months 2. Teacher holding a first-grade certificate	$150 for each teacher[59]
2. Rural school	1. In session 7 months 2. Teacher holding a second-grade certificate	$100 for each teacher[60]
3. Associated rural school	1. Associated with a central school	$50[61]
4. Central school with which a rural school is associated		$200 for each associated school[62]
5. Graded school	1. In session nine months	$600[63]
	2. In addition, for each grade teacher more than 4, counting the principal as a teacher	$100[64]
	3. In addition for each high-school teacher	$250[65]
	(Aid not to exceed $1,300 on this basis)	
6. High school	1. In session 9 months	$1,800[66]
7. Agricultural department (Aid not to exceed salaries paid)	1. In high, graded, or consolidated school	$1,000[67]
8. Commercial department	1. In high, graded, or consolidated school (Aid not to exceed salaries paid)	$600[68]
9. Teacher-training departments.	1. In high school	$1,200[69]
	2. More than 1 teacher	$2,000[70] (not to exceed)
	3. More than 2 teachers and not less than 50 pupils	$2,800[71] (not to exceed)
10. Consolidated schools	1. Class A[p]	$500[72]
	2. Class B[p]	$250[73]
	3. Reimbursed for transportation	$2,000[74] (not to exceed)
	4. Reimbursed for one fourth the cost of building	$2,000[75] (not to exceed)
11. Library	1. For each teacher employed	$10[76] (not to exceed $25)
12. Schools in districts levying a local school tax of more than 20 mills	1. Annual local tax levy in excess of 20 mills	One third of amount raised in excess of that received from the 20-mills levy.
A. High school		$2,500[77] (not to exceed)
B. Graded school		$1,800[78] (not to exceed)
C. Rural school		$200[79] (per teacher)

[59] *Session Laws of Minnesota, 1915* chap. 296 sec. 4 p. 416.
[60] *Ibid.*
[61] *Ibid.* chap. 296 sec. 12 p. 418.
[62] *Ibid.*
[63] *Ibid.* chap. 296 sec. 5 p. 416.
[64] *Ibid.*
[65] *Ibid.*
[66] *Ibid.* chap. 296 sec. 6 p. 417.
[67] *Ibid.* chap. 296 sec. 7 p. 417.
[68] *Ibid.*
[69] *Ibid.* chap. 296 sec. 8 p. 417.
[70] *Ibid.*
[71] *Ibid.*
[72] *Ibid.* chap. 296 sec. 9 p. 417.
[73] *Ibid.*
[74] *Ibid.*
[75] *Ibid.*
[76] *Ibid.* chap. 296 sec. 10 p. 417.
[77] *Ibid.* chap. 296 sec. 11 p. 417.
[78] *Ibid.*
[79] *Ibid.*

[o] A history and more detailed discussion of each of these objects aided by the Annual Fund will be found in Chap. V.

[p] For definitions of these classes of schools, see Chap. V.

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DISBURSEMENT OF THE ANNUAL FUND

In the disbursement of the Annual Fund we find the apportionment both of flat sums and of amounts determined upon various bases. The following types of apportionment appear: (1) flat sums to schools and to departments of instruction, (2) aid on the basis of number of pupils and teachers in various courses, (3) aid according to the amount of local tax levied, and (4) aid on the basis of library equipment.

The importance of this type of state aid may be seen in the objects for which it is apportioned.

As has been stated in an earlier paragraph, the classification of schools in Minnesota (see page 9) is of great importance, because it serves to indicate the requirements for participation in the Annual Fund. The law merely names the types of schools to be aided. The details of the administration of the Annual Fund are left entirely to the State High School Board,[q] who "shall apportion the annual funds and any other sums appropriated by the state to schools and libraries in such manner and upon such conditions as will enable them to perform efficiently the services required by law, and to further the educational interests of the state. To this end the state board shall have power to fix the requirements for receiving and sharing in state aid."[80]

Acting under this provision, the State High School Board has gradually but steadily raised the requirements for participation in state aid, making consistent improvement necessary for the continuation of that aid. The rulings of the board are published as bulletins by the department of education and have all the force of laws.

The requirements are so detailed that space forbids giving them in full here. They cover matters of (1) building and equipment, (2) sanitary conditions, (3) heating and ventilating, (4) school grounds, (5) length of school term, (6) preparation of the teacher, (7) courses of study.[81] The following brief quotations will serve to indicate the definite nature of the requirements.

[80] *Ibid.* chap. 296 sec. 2 p. 416.

[81] *High School Board Rules Relating to High and Graded Schools Bulletin no.* 45, May, 1916.

[q] These duties would have devolved upon the State Board of Education if that body had been organized.

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A graded school building must be equipped with a fan system of ventilation. When the outside temperature is lower than 55° above zero Fahrenheit, the fan must be in continuous operation during the entire time the schools are in session.[82]

Book supports shall be provided [in school libraries] to keep the books straight on the shelves.[83]

The rules of the board as applied to graded and high schools are enforced through the efforts of five state inspectors, one of whom must visit and report upon every school applying for state aid. The number of rural schools makes such state inspection impossible with the present meager appropriation for rural inspection purposes, and state support to rural schools is distributed upon the basis of reports made out by local officials and approved by the county superintendent. As long ago as 1906 the inherent dangers attendant upon making a local official serve as a state inspector were observed, and a system of true state inspection of rural schools applying for state aid was urged by the state superintendent.[84]

Besides the requirements put upon the particular types of schools, all districts are required to take an annual school census, and it is made the duty of the state superintendent and of the High School Board to withhold the special state aid until such census has been completed.[85]

Only one prohibition is put upon the expenditure of the Annual Fund. It can not be used for the purchase of any site nor for the erection of any school building.[86]

A large part of the details of administration of the Annual Fund date from 1915, but special appropriations for the aid of particular types of schools have been made since 1878. For the past three years the appropriation and apportionment of the moneys of the Annual Fund have been matters of great interest and debate. The sums appropriated by the legislature have not been sufficient to pay the maximum apportionment due to the districts and schools meeting the requirements. The deficit thus created was distributed proportionately among the various schools. The increase in the deficit appears in the following table.

[82] *High School Board Rules Relating to High and Graded Schools Bulletin no.* 45, May 1916 p. 39.

[83] *Ibid.* p. 34.

[84] *Rept. Minn. Supt. of Public Instr., 1905-6* p. 9.

[85] *Gen. Statutes of Minn., 1913* sec. 2985 p. 660.

[86] *Gen. Laws of Minn., 1911* chap. 341 sec. 3.

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TABLE VIII

DEFICIT IN APPORTIONMENT OF ANNUAL FUND FOR 1915–16[87]

SCHOOLS	1915	1916
High schools including special departments..	$162,265	$278,638
Graded schools and departments.....	44,187	69,933
Consolidated and rural schools.....	209,656	305,513

The following table shows both the apportionment of and the deficit in the Annual Fund and in the portion of the Current School Fund which is set aside for special aid to subnormal classes and to weak districts:

TABLE IX

SPECIAL STATE AID FOR 1915 AND 1916[88]

KIND OF SCHOOL OR DEPARTMENT	1915			1916		
	NUMBER AIDED	TOTAL AMOUNT PAID	DEFICIT NOT PAID	NUMBER AIDED	TOTAL AMOUNT PAID	DEFICIT NOT PAID
High schools.....	221	$387,751.00	$ 96,687.75	230	$322,593.00	$138,254.00
Graded schools.....	242	176,750.00	44,187.50	241	163,177.00	69,933.00
Agricultural, industrial, and other special departments.....	146	231,415.00	57,853.75	555	277,093.00	118,754.00
Association.....	.....	30,894.00	7,723.58	.....	50,470.00	21,630.00
Teachers' training departments.....	120	118,512.00	.....	130	151,780.00	.....
Tuition.....	.....	.....	.....	.....	34,895.00	.....
Consolidated schools						
Class A.....	62	74,400.00	18,600.00	102	35,700.00	15,300.00
Class B.....	4	3,387.00	864.75	37	6,475.00	2,775.00
Class C.....	35	21,000.00	5,250.00	.....	.....	.....
Building aid.....	.....	22,363.00	.....	.....	57,092.00	.....
Transportation aid....	.....	.....	.....	.....	128,790.00	.....
Semi-graded schools...	478	114,240.00	28,560.00	507	110,250.00	47,250.00
Rural schools						
Class A.....	3,618	434,160.00	118,540.00	3,992	419,180.00	179,648.00
Class B.....	1,311	104,880.00	26,220.00	2,018	141,260.00	60,540.00
Class C.....	776	46,560.00	11,640.00	.....	.....	.....
Reservation schools....	46	11,287.50	.....	41	8,696.00	.....
Subnormal classes.....	.....	.....	.....	.....	27,219.00	.....
15-mill supplemental...	.....	.....	.....	119	16,239.00	.....
Total.....	7,059	$1,777,599.50	$416,109.33	7,972	$1,950,909.00	$654,084.00

[87] *Nineteenth Bienn. Rept. Minn. Dept. of Educ., 1915-16* p. 24.

[88] *Nineteenth Bienn. Rept. Minn. Supt. of Educ., 1915-16* p. 115.

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In 1917 the governor vetoed a bill passed by the legislature appropriating moneys to pay the deficit for 1914-15 and 1915-16. Such a deficit can not occur in the 1917-18 aid, since the legislature specifically announced that, if the amount available for this year is not sufficient to pay all claims in full, there shall be a pro rata settlement which shall be final.[89] The attorney-general held that the deficit for 1914-15 and 1915-16 might legally be paid out of the legislative appropriations for state aid for 1916-17 and 1917-18, thus recognizing the legality of the districts' claims against the state.[90] An injunction prevented the State High School Board from taking such action, and the matter was appealed to the State Supreme Court.[91] The court sustained the injunction; the money appropriated was paid out for state aid for the years for which it was appropriated;[r] and any further action must come from future sessions of the state legislature.[r]

The whole matter of the disbursement of state aid is probably the most pressing problem in Minnesota's school system today. Its lack of recognition of scientific principles, its complexity, and its uncertainty from year to year combine to deprive the moneys distributed of much of their possible value.

[89] *Nineteenth Bienn. Rept. Minn. Supt. of Educ.*, 1915-16 p. 115.

[90] *Twenty-fourth Ann. Rept. Minn. Inspector of State High Schools 1917* p. 9.

[91] *Ibid.*

[r] Information furnished by the State Department of Education in response to author's personal inquiry, April 30, 1918.

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CHAPTER III

A SURVEY OF EXISTING METHODS OF LOCAL SCHOOL SUPPORT

Local school support constitutes the second main division of the types of school support. In 1916, for every dollar of state aid apportioned to the schools of Minnesota, local units raised $4.03 in local revenues.[1] The chief interest attaching to local school support in a study of this kind lies in its importance as a measure of the effect of state aid upon the school system. In Minnesota it is important, also, as one of the factors contributing to the inequality of school opportunity already spoken of among the chief defects of the present system.

SOURCES OF LOCAL SCHOOL SUPPORT

There are no local permanent or trust funds in Minnesota, and local school support is derived from (1) the county 1-mill tax, (2) the state tax on moneys and credits, (3) miscellaneous fines and forfeitures, (4) special local taxes levied by school districts, (5) bonds issued by school districts or by counties.

The county is the unit through which all school taxes are collected, to which all levies must be certified on or before October 10 in each year, and through which all school funds are distributed to the separate districts.

The annual county tax or, as it is sometimes called, the local 1-mill tax, is required by state law, and the proceeds from it are "credited to the school district in which the property taxed is situated."[2] In 1915 the proceeds of this tax amounted to a total of $1,492,492.65.[3]

A state tax of 3 mills upon all moneys[a] and credits[a] is directed by law.[4] The proceeds of this tax are divided as follows: one

[1] *Nineteenth Biennial Rept. Minn. Dept. of Educ., 1915-16* p. 18-19 Table 7.

[2] *Gen. Statutes of Minn., 1913* sec. 2916 p. 648.

[3] *Rept. Minn. State Auditor, 1915-16* p. 561.

[4] *Gen. Statutes of Minn., 1913* sec. 2328 p. 525.

[a] "Moneys and Credits" as used here are defined as follows:

"'Moneys' or 'money' shall mean gold and silver coin, treasury notes, bank notes, and other forms of currency in common use, and every deposit which any person owning the same, or holding in trust and residing in this state, is entitled to withdraw in money on demand" (See *Revised Laws of Minn., 1905* chap. 2 sec. 798 p. 141.) "'Credits' shall mean and include every claim and demand for money or other valuable thing, and every annuity or sum of money receivable at stated periods, due or become due and all claims and demands secured by deed or mortgage, due or to become due, and all shares of stock in corporations the property of which is not assessed or taxed in this state." (See *Gen. Laws of Minn., 1917* chap. 130 sec. 1 p. 181.)

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sixth to the revenue fund of Minnesota, one sixth to the county fund, one third to the village, city, or town, and one third to the school district in which the property is assessed.[5] In 1915 the proceeds of this tax which were apportioned to school districts amounted to $213,082.88.[6]

The proceeds from the sale of all estrays are payable to the county school fund.[7] The same fund is further increased from certain fines and forfeitures for violation of laws bearing upon the following matters: (1) sale of liquor,[8] (2) shipment of liquor,[9] (3) railroad crossings,[10] (4) practice of osteopathy,[11] (5) practice of dentistry,[12] (6) practice of optometry,[13] (7) provision of fire escapes,[14] (8) weights and measures,[15] (9) usury,[16] (10) injury to the United States beacons or buoys.[17]

Besides those fines and forfeitures which are added to the state and county school funds, certain others go, in whole or in part, to the school district in which they are collected. These are provided for by the laws concerning (1) delinquent taxes,[18] (2) breaches of the compulsory school attendance law,[19] (3) the sale of cigarettes,[20] and (4) the registration of burials.[21] The county or district may also provide that all fees for liquor licenses be added to the school fund.[22]

Special local school taxes are levied by all districts, common, independent, and special. In *common districts* the levy is voted by the electors at the annual school meeting,[23] but if they fail

[5] *Gen. Statutes of Minn., 1913* sec. 2328 p. 525.
[6] *Rept. Minn. State Auditor, 1915-16* p. 553.
[7] *Gen. Statutes of Minn., 1913* sec. 6040 p. 1315.
[8] *Ibid.* sec. 3173 p. 697.
[9] *Revised Statutes of Minn., 1913* sec. 3174 p. 697.
[10] *Ibid.* sec. 4406 p. 982.
[11] *Ibid.* sec. 4994 p. 1096.
[12] *Ibid.* sec. 5021 p. 1101.
[13] *Ibid.* sec. 5028 p. 1102.
[14] *Ibid.* sec. 5112 p. 1117.
[15] *Ibid.* sec. 5804 p. 1287.
[16] *Ibid.* sec. 5806 p. 1288.
[17] *Ibid.* sec. 8930 p. 1967.
[18] *Ibid.* sec. 2075 p. 442.
[19] *Ibid.* sec. 2983 p. 660 and sec. 2989 p. 661.
[20] *Ibid.* sec. 3211 p. 704.
[21] *Ibid.* sec. 6278 p. 1363.
[22] *Ibid.* sec. 2897.
[23] *Ibid.* sec. 2716 p. 613.

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to make a levy sufficient to provide funds for the support of the school for the length of term agreed upon, the district school board is directed to levy a tax sufficient for that purpose.[24] Common districts are not permitted to levy more than 15 mills on the dollar for the support of schools unless they maintain a graded or high school, when the levy can not exceed 25 mills.[25] For the purpose of purchasing school sites or for the erection and equipment of schoolhouses, a common district can not levy more than 10 mills unless 10 mills will not produce $600, in which case the levy must not exceed 25 mills on the dollar nor produce more than $600.[26] In common districts having less than ten voters the district school tax shall not exceed $400.[27] In *independent districts* the school board determines the rate of the tax levies, and the length of the school year,[28] which must be between five and ten months in any district.[29] The only limitation provided by law as to the amount of taxation is that no tax in excess of 8 mills on the dollar shall be levied for the purpose of school sites and the erection of schoolhouses.[30] In "*special districts* such amounts may be levied as may be allowed by special law at the same time when the Revised Laws [of 1913] took effect."[31] In *territory not included within any school district*, the county board of education makes a "special unorganized school levy" which is in lieu of a special district levy.[32] The levying of this tax is regulated by the provisions concerning the school taxation in a common-school district.[33]

The regulations governing the issue of local school bonds provide that any school district may, by a two-thirds vote at a regular or special election, direct the school board to issue bonds payable within fifteen years and bearing not more than 7 per

[24] *Ibid.* sec. 2756 p. 622.

[25] *Ibid.* sec. 2917 p. 648.

[26] *Ibid.*

[27] *Ibid.*

[28] Opinion of Attorney-General Young, June, 1906. Quoted from *Laws of Minn. Relating to the Public School System, 1915* p. 59.

[29] *Ibid.* sec. 147 p. 53.

[30] *Revised Statutes of Minn., 1913* sec. 2917 p. 648.

[31] *Ibid.*

[32] *Gen. Statutes of Minn., 1913* sec. 2781 p. 626.

[33] *Ibid.* sec. 2783 p. 627.

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cent interest, for the purpose of "purchasing sites for schoolhouses and for defraying the expense incurred and to be incurred in building, remodeling, repairing, and furnishing schoolhouses, and installing heating and ventilating and plumbing plants in same, and equipping the same with libraries, apparatus and other school furniture."[34] The constitution provides that the principal of the state trust funds may be invested in such bonds.[b]

DISBURSEMENT OF LOCAL SCHOOL FUNDS

The disbursement of local school funds is much simpler than that of state funds. The district is the recognized unit, and no attempt is made to equalize either school opportunities or burdens. The proceeds of the county 1-mill tax,[35] and of the tax on moneys and credits,[36] as well as those of special local taxes, are credited to the district containing the property taxed, so no one of them in any way serves to aid in the equalization of school burdens or school opportunities. "The amounts collected from liquor licenses, fines, estrays, and other sources" are apportioned, together with the amount received from the Current School Fund, by the county auditor upon the same basis as the state apportionment,[c] and "such money shall be used only for the payment of teachers' wages."[37]

With regard to the revenues derived from liquor licenses, the law provides that no district shall receive any part of them unless all sums paid for such licenses in such district are apportioned to the county school fund.[38]

[34] *Gen. Statutes of Minn., 1913* sec. 1855 p. 383.

[35] *Ibid.* sec. 2915 p. 648.

[36] *Ibid.* sec. 2328 p. 525.

[37] *Ibid.* sec. 2897 p. 646.

[38] *Ibid.*

[b] See provisions concerning such investment, p. 17.

[c] See treatment of the apportionment of the Current School Fund in Chap. II.

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CHAPTER IV

HISTORY OF THE PERMANENT PUBLIC-SCHOOL FUNDS IN MINNESOTA

The history of Minnesota's permanent school funds is of particular interest since Minnesota ranks second in the United States in the amount of the principal of its permanent public-school funds, acreage and value of unsold school lands, and the total value of permanent school funds. It is surpassed in each of these particulars by Texas alone.[1]

Minnesota has two permanent public-school funds, the Permanent School Fund and one half the Swamp Land Fund. The entire income from the Permanent School Fund[2] and one half the income from the Swamp Land Fund are devoted to the support of the public schools of the state.[3] It is frequently very difficult to secure accurate and reliable data on school revenues. The figures concerning the Minnesota Permanent School Fund given in the report of the United States Commissioner of Education for 1914 illustrate the unreliability of much current data. This report gives the following statistics for Minnesota for that year.

Permanent school funds	$ 24,668,248[4]
Acres of unsold school land, 2,555,000	
Value of unsold school land	180,000,000
Total value of permanent funds and school lands	$204,668,248

The amount given in this report for the Permanent School Fund is the principal of the fund of that name only, and entirely ignores the Swamp Land Fund of $4,292,789.37,[5] one half of which is also a permanent school fund. On the other hand, the number of acres of unsold school land given includes both the 735,648.79[6] acres of school land and the whole of the 1,459,834.23[7]

[1] *Rept. U. S. Commissioner of Educ., 1916* 2:36 Table 17.

[2] *Minn. Constitution* art. 8 sec. 2.

[3] *Ibid.*

[4] *Rept. U. S. Commissioner of Educ., 1916* 2:36 Table 17.

[5] *Rept. Minn. State Auditor, 1913-14* p. v.

[6] *Ibid.* p. 3.

[7] *Ibid.*

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acres of unsold swamp land, although not more than one half of the latter can be said to belong to the permanent school funds.

It is evident, then, that the total of the permanent school funds of Minnesota for 1914 amounted to $26,814,647.68 instead of $24,668,248 as given by the federal report. The amount of unsold land belonging to the school funds in that year was only 1,465,565.9 acres instead of 2,555,000 acres as reported by the commissioner of education. No basis is given in the report for the estimated value of $180,000,000 or average of $79.82 per acre put upon the 2,555,000 acres of unsold school and swamp land. This estimate, however, probably is based upon an attempt to include the surface value together with the timber and mineral values of these lands. If so, it is probably not excessive.

The following table shows the true condition of these funds in 1916.

TABLE X

PERMANENT SCHOOL FUNDS IN MINNESOTA—1916

Permanent School Fund	$26,411,796.46†
One half of Swamp Land Fund	$2,664,162.67‡
Unsold school land (acres)	696,086.73††
One half of unsold swamp land (acres)	689,132.62††
Estimated value of unsold school and swamp land belonging to permanent school funds	$110,568,208.51*

ORIGIN OF THE PERMANENT FUNDS

The permanent school funds of Minnesota are derived from the school land granted the state by the federal government at the time of its admission to the Union, and from the swamp lands granted in 1880. In 1849, sections 16 and 36 were reserved for the use of schools by the organic act of the states which provided that "when the lands in said territory shall be surveyed, under the direction of the government of the United States, preparatory to bringing the same into market, sections sixteen and thirty-six in each township in said territory shall be, and the same are hereby reserved for the purpose of being applied to schools in said territory, and in the states and territories

† *Report of State Auditor*, 1915-16, p. v.

‡ *Ibid.* p. VI.

†† *Ibid.* p. 3.

* Estimated on the basis of the average valuation of $79.82 per acre used in Rept. of the U. S. Commissioner of Educ., 1916 2:36.

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hereafter to be erected out of same."[8] In 1857, the Enabling Act of Minnesota provided that "the sections numbered sixteen and thirty-six in every township of public land in said state, and where either of said sections, or any part thereof, has been sold or otherwise disposed of, other lands, equivalent thereto and as contiguous as may be, shall be granted to said State for the use of schools."[9] The land thus granted to the state amounted to 2,969,990 acres,[10] or five and five-tenths (.055) per cent of the area of the state. The Constitution of 1857, which became effective upon the admission of the state, accepted this grant and provided that "the income arising from the lease or sale of said school land shall be distributed to the different townships throughout the state, in proportion to the number of scholars in each township between the ages of five and twenty-one years, and shall be faithfully applied to the specific objects of the original grants or appropriations."

The Swamp Land Fund is derived from lands received under the federal grant of 1860. This act extended to Minnesota the benefit of an act of 1850 which had granted to certain other states "all swamp and overflowed lands, made unfit thereby for cultivation, and remaining unsold."[11] The report of the state auditor for 1913-14 gives the following statement of lands received under this act:

	ACRES	ACRES
Selected by the U. S. surveyor-general as inuring to the State under the Swamp Land Grant	5,890,199.20	.....
Patented to the State by the U. S.	.....	4,709,038.18
Approved to the State by the U. S. but not as yet patented	.....	84,013.67
Swamp land claimed by State, claim unadjusted or cancelled by U. S. or relinquished by the State in favor of settlers	.....	1,097,147.35
	5,890,199.20	5,890,199.20[12]

The constitutional amendment of 1881 provided that the principal of the Swamp Land Fund should be preserved undiminished and inviolate, and that the income should be divided and one half appropriated to the Common School Fund and one half to the educational and charitable institutions of

[8] Organic Act of Minn., *Gen. Statutes of Minn., 1866* pp. 14-21.

[9] Enabling Act of Minnesota., F. N. Thorpe, *Federal and State Constitutions* 4: 1989.

[10] Table of Land Grants, *Report U. S. Commissioner of Educ., 1892-93* 2: 1283.

[11] Tables. *State Grants of Public Lands, Gen. Land Office,* March 12, 1896 p. 9. (Quoted here from F. H. Swift, *Permanent Common School Funds* p. 62.)

[12] *Rept. Minn. State Auditor, 1913-14* p. 17.

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the state.[13] No action was taken in the matter, however, until 1907 when a statute was passed directing that the provision of the amendment be carried out.[14] Accordingly, since 1907 one half of the Swamp Land Fund has been a second permanent school fund, and its income has been devoted to the public schools.

GROWTH OF THE PERMANENT FUNDS

The capital of the Permanent School Fund and of the Swamp Land Fund may be regarded as comprised of two parts the lands belonging to these funds and the money principal derived from the sale or lease of these lands or from other sources. No land has been received by either of these funds in addition to that coming from the grants mentioned above.

TABLE XI

SOURCES OF THE PRINCIPAL OF THE PERMANENT SCHOOL FUND—1916[15]

SOURCE	AMOUNT	PER CENT OF WHOLE[b]
1. Sales of land, right of way, etc.....	$14,876,186.10	56+
2. Sales of timber.....	7,048,788.63	26+
3. Mineral permits and leases.....	316,000.77	1+
4. Royalty on iron ore.....	3,809,231.02	14+
5. Profit on sale of bonds.....	361,589.94	1+
	$26,411,796.46	

The principal of both of these permanent funds has increased steadily through additions from five different sources. The Constitution of 1858 provided that all moneys received (1) from the sale, and (2) from the lease of school lands should be added to the Permanent School Fund.[16] In the same way the proceeds from swamp lands are added to the Swamp Land Fund.[17] A considerable part of the lands belonging to these funds is valuable for timber or for mineral deposits. (3) Receipts from the sale

[13] *Minn. Constitution* art. 8 sec. 2.

[14] *Gen. Laws of Minnesota, 1907* chap. 385.

[15] *Rept. Minn. State Auditor, 1915-16* p. vi.

[16] *Minn. Constitution* art. 8 sec. 2.

[17] *Ibid.*

[b] Computed from data in the table.

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of timber and (4) from the lease of mineral rights are added to the funds. (5) A fifth source of increase is found in the wise investment of the moneys of the fund.

An analysis of the principal of the Permanent School Fund in 1916 will show the relative importance of each of these contributing sources.

The following table shows the growth of the Permanent School Fund since 1862.

TABLE XII

GROWTH OF THE PERMANENT SCHOOL FUND—1862–1916

YEAR	PRINCIPAL[18]	ACRES OF UNSOLD SCHOOL LAND
1858		2,969,990[c]
1862	$ 242,531.00	2,931,742[c]
1870	2,426,240.00	2,589,085[c]
1880	4,449,725.00	2,285,113[c]
1890	9,241,119.00	1,607,851[c]
1900	12,546,529.00	1,271,460[c]
1916	26,411,796.46	649,129[19]

The Swamp Land Fund has been increased from similar sources with the exception that it has received no moneys from the sale of bonds. The percentage of the whole furnished by each source appears in the following analysis.

TABLE XIII

SOURCES OF THE SWAMP LAND FUND—1916[20]

SOURCE	AMOUNT	PER CENT[d]
Sales of timber, right of way, etc.	$3,298,432.18	61+
Sale of timber	1,496,934.91	28+
Mineral permits and leases	79,737.00	1+
Royalty on iron ore	453,221.26	8+
	$5,328,325.35	

[18] *Rept. Minn. Dept. of Educ., 1915-16* p. ii.

[19] *Rept. Minn. State Auditor, 1915-16* p. v.

[20] *Ibid.* p. vi.

[c] Only approximately correct. Computed by subtracting acres sold each year, (see note 10) without corrections for lands forfeited and resold. From table of land grants, *Rept. U. S. Commissioner of Educ., 1892-93* 2:1283.

[d] Computed from data given in the table.

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One half of the income from the principal is apportioned to the public schools.

The following table shows the growth of the Swamp Land Fund since 1908, the year after it became one of the permanent school funds:

TABLE XIV

GROWTH OF SWAMP LAND FUND

YEAR	TOTAL SWAMP LAND FUND	ONE HALF OF SWAMP LAND FUND[d]
1908	$1,243,272.35[21]	$ 621,636.17
1910	1,581,255.20[22]	790,627.60
1914	4,292,789.37[23]	2,146,394.68
1916	5,328,325.35[24]	2,164,162.67

MANAGEMENT OF PERMANENT FUNDS

The first message of the governor of Minnesota included a plea that the financial supervision of the public lands be vested in a separate central department at the seat of government.[25] This very wise advice was ignored and has continued to be ignored to this day. State officials and others have continued to urge the establishment of such a department, but to no avail.[26] Bills establishing a separate state land department were introduced in the legislative sessions of 1909 and 1911, but both were defeated.[27]

In 1861 an act for the appraisal, sale, and lease of school lands was passed. It created a board of commissioners of school lands, consisting of the governor, attorney-general, and superintendent of public instruction.[28] Since the duties of this board, however, conflicted with those of the board of commissioners of public lands, both boards were abolished in 1862, and the auditor was made ex officio state land commissioner with an

[21] *Rept. Minn. State Auditor, 1915-16* p. ix.

[22] *Rept. Minn. Supt. of Public Instr., 1909-10* p. 249.

[23] *Rept. Minn. State Auditor, 1913-14* p. v.

[24] *Ibid., 1915-16* p. vi.

[25] *Annual Message of Gov. Ramsey, Minn. Exec. Documents, 1860* p. 22.

[26] *Rept. Minn. State Auditor, 1911-12* p. xxxvi.

[27] *Ibid.*

[28] *Gen. Laws of Minn., 1861* chap. 14.

[d] Computed from data given in the table.

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annual salary of $300 for the duties of that office.[29] When the term "Minnesota state land commissioner" is used it should be borne in mind that it does not refer to a state official devoting his whole time to the care of state lands, but merely to the state auditor. Later enactments do not use the term "land commissioner," and the general supervision of all state lands remains in the hands of the state auditor.

The policy of governing the sale of school lands has not varied greatly since the adoption of the first constitution.* The Statutes of 1861 made $7 the minimum price for school lands,[30] but this was reduced in 1862 to $5,[31] which it is at the present time. At no time, however, have lands been sold without having been appraised.

At the close of 1916, there had been sold 2,282,225.33 acres of school land, for which the state received $14,691,049.78.[32]

SCHOOL LAND LOSSES

Minnesota has suffered serious losses through frauds connected with the management of the state lands. These losses have been for the most part in the form of timber. Only such part of them as has been proved can be computed, and the real total is undoubtedly much larger than any records show. In 1893, a joint resolution of the state legislature appointed a committee to investigate frauds charged in the sale of timber from state lands.[33] When this committee reported to the governor in 1894, it had already succeeded in collecting $30,526.29, had suits pending to the amount of $157,284.28, and was preparing suits for $205,076.44, for timber illegally taken from state lands.[34] It reported that it had not been able to cover all cases nor all parts of the state, and added:

> This committee believes that the school fund of the state has been robbed of hundreds of thousands of dollars worth of valuable timber, for which no return has ever been made to the state; that thousands

[29] *Gen. Laws of Minn., 1862* chap. 62 sec. 1 p. 122.

[30] *Ibid., 1861* chap. 14.

[31] *Ibid., 1862* chap. 12 sec. 1 p. 46.

[32] *Rept. Minn. State Auditor, 1915-16* p. 7.

[33] *Rept. Pine Land Investigating Committee* p. 2.

[34] *Ibid.* p. 78.

* See p. 13.

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of acres of valuable farming lands have been depreciated in value by reason of the removal of such timber, and rendered practically unsalable, and that, in the aggregate, the direct loss to the school fund of the state, by these reprehensible and unpardonable practices will run into the hundreds of thousands of dollars.[35]

In spite, however, of the work of this committee and of the recognition of its recommendations by the passage of a better timber law in 1895,[36] frauds in the sale of lumber did not entirely cease. In his report for 1915-16, the state auditor says:

> Palpable carelessness and frauds in numerous instances have been perpetrated by scalers appointed by the surveyor-general. . . . Short scales have been fully as prevalent in cases where the scale has been made by a scaler of the State Auditor. Carelessness and frauds have been extremely common. . . . The net result of the activities of the timber investigation during the year extending from October 15, 1915 to October 15, 1916, without considering trespass, penalties, and stump scales not yet reported, have been as follows:

Trespass	$12,526.23
Stump scale and interest penalties	62,780.06
Interest penalties for extension of permits and on overdue drafts	19,609.10
	$94,915.39

Commenting upon these facts, the auditor says:

> Prosecutions under the statutes now upon the books, and above referred to, have been found practically impossible by the attorney-general. It is imperative that the criminal provisions of these statutes be strengthened.[37]

For some years uneasiness has been felt concerning the statutes of that part of the swamp land now under dispute with the federal government. The report of the state auditor for 1915-16 says that "1,097,147.35 acres of land [swamp land] are, as to title, in dispute between the federal government and the State of Minnesota."[38] Since 1913 no swamp land has been patented to Minnesota by the general land office, charges having been filed with the Department of the Interior accusing Minnesota of having been unfaithful to her trust of swamp lands

[35] *Rept. Pine Land Investigating Committee* p. 2.

[36] *Gen. Laws of Minn., 1895* chap. 160 sec. 10 p. 353.

[37] *Rept. Minn. State Auditor, 1915-16* p. xxviii.

[38] *Ibid.*

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since the income from them was, in 1881, diverted from reclamation and devoted to public schools and state charitable institutions. The same report says:

> The time is at hand when the government, as well as the state, will be best served by arriving at an agreement as to the status of all swamp lands within the state of Minnesota. It should be done with expedition, in order that all of these lands belonging to all of the people may be administered wisely either by the government or by the state of Minnesota, as title may appear.[39]

Because of these unsatisfactory conditions, the last legislature constituted the governor, attorney-general, and auditor as members of the State Land Commission with full powers to consider and propose to the legislature terms of settlement of all claims and differences or controversies that now exist or may hereafter arise between the state and the United States over lands granted to the State of Minnesota under any act of congress. They have, also, the power to accept patents or to reconvey state lands to the United States.[40]

In view of the unsatisfactory condition of the Swamp Land Grant and the great losses which are known to have occurred in the management of the various lands, it seems evident that some better provision for the management of the large land interests of the state is necessary. The experience of many states of the Union indicates that the appointment of a single officer charged with the administration of state lands and trust funds is probably the only means of safeguarding the interests of the state, particularly in a state having lands and funds of so much value as those in Minnesota.[f]

The investment of the permanent school funds is governed by constitutional provisions, and its history is that of a widening range of lawful investments for the rapidly growing funds. The present lawful investments have been provided for in the following order:

1858 1. Bonds of the United States
2. Bonds of the State of Minnesota
3. Bonds of any state designated by law

[39] *Ibid.* p. xx.

[40] *Session Laws of Minn., 1917* chap. 324 p. 458.

[f] For a discussion of this subject, see F. H. Swift, *Public Permanent Common School Funds* p. 119.

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1885 4. Bonds of counties and school districts of the state for the erection of public buildings
1896 5. Bonds of counties, districts, cities, towns, and villages of the state

A statement of the present investments of both of the permanent funds will be found in Chapter I.

Since 1863 the investment of state funds has been in the hands of the State Board of Investment. In 1861 the state treasurer was made receiver of the moneys of the school fund, and their investment was placed in the hands of the Board of Commissioners of School Lands.[41] In 1863 the Board of Investment was created, consisting of the governor, auditor, and treasurer.[42] In 1873 the membership of the board was increased to five by the addition of the chief justice of the supreme court, and the president of the Board of Regents.[43] In 1913, the attorney-general was made a member of this board instead of the chief justice of the supreme court.[44]

The Constitution of 1858 provided that the principal of the Permanent School Fund should be invested in bonds of the United States, of Minnesota, or of any other state designated by law. The session laws of 1861 repeated this provision, adding that the bonds must be purchased at the current value in the city of New York.[45] In 1873 an act was passed permitting investments in (1) Minnesota bonds, (2) United States bonds at 6 per cent, and (3) 4 per cent bonds of New York, Pennsylvania, Ohio, Illinois, Michigan, Wisconsin, Iowa, and Missouri.[46] The same law specifically excluded all bonds issued to aid in the construction of any railway.[47]

In 1885 the school fund had increased to more than seven million dollars, and a new type of investment was seriously needed. In 1875 the state auditor wrote:

> If some other investment is not authorized, we shall very soon be obliged to invest in United States five per cent bonds which at present

[41] *Rept. Pine Land Investigating Committee* p. 2.
[42] *Gen. Laws of Minn., 1863* chap. 12 sec. 7 p. 49.
[43] *Ibid., 1873* chap. 32 sec. 1 p. 150.
[44] *Ibid., 1913* chap. 515 sec. 1 p. 1144.
[45] *Ibid., 1861* chap. 14 sec. 43 p. 94.
[46] *Ibid., 1873* chap. 33 p. 150.
[47] *Ibid.*

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rates of premium would reduce the interest to about four and one-quarter per cent. . . . There are hundreds of thousands of dollars of city, county, school and district bonds many of which would not be exchanged for United States bonds, issued within our own State, now outstanding at rates of interest varying from seven to twelve per cent, and many, if not most of them, have been sold to eastern capitalists at rates considerably below par. The discount and interest exceeding seven per cent on all of these bonds now existing in this state must amount to an exceedingly large sum, all of which might have been saved to our taxpayers of the State, and a seven per cent loan secured to the state funds if the money had been invested in local bonds.[48]

These conditions did not change, and in 1895 a constitutional amendment was adopted permitting the school funds to be loaned at 5 per-cent interest to the counties and school districts of the state for the erection of county or school buildings. The amount of such loans was limited to 3 per cent of the assessed valuation of the county or district.[49] Two provisions of this bill proved unsatisfactory. The limit put upon the amount of the loans ignored other debts of the county or district, although the total debt secured by the property of a corporation is very important in determining the safety of the bonds. The limit put upon the use of the money seemed unnecessary. In spite, however, of these defects the system proved popular. In 1896 the state auditor reported that a total of $1,801,117.41 had been lent to 2,105 school districts and 15 counties.[50]

Local demand for funds continued, and in 1896 a further amendment was adopted which permitted the permanent school funds to be invested in bonds of counties, districts, cities, towns, and villages of the state, bearing 3 per-cent interest and running five to twenty years.[51] The amount loaned must not increase the entire bonded debt to more than 7 per cent of the assessed valuation of the unit issuing the bonds.[52]

In 1897 it was proposed to increase the maximum bonded indebtedness to 15 per cent of the assessed valuation of the property of the unit issuing the bonds. An amendment to this effect was submitted to the people and rejected. In 1901 the

[48] *Rept. Minn. State Auditor, 1875* p. 33.

[49] *F. N. Thorpe, Federal and State Constitutions* 4:2010.

[50] *Rept. Minn. State Auditor, 1895-6* p. 15.

[51] *Gen. Laws of Minn., 1897* p. vii.

[52] *Ibid.*

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attempt to secure this amendment was renewed. It was submitted to the vote of the people and rejected by them in 1901 and 1903. In 1905 it was ratified.[53] In 1913 it was found possible to secure investment for the funds at 4 per cent instead of at 3 as the law permitted. Without attempting to amend the constitution, the legislature passed a law raising the rate of interest on loans made on municipal[g] bonds to 4 per cent.[54]

The importance of these later forms of investment appears from the statement of the present investment of the permanent funds given in Chapter I, and from the fact, also discussed in Chapter I, that it has been found advisable to legalize the sale of the bonds of other states in which the funds had been invested so that the moneys may be reinvested within the state at a higher rate of interest.[55]

The laws of Minnesota have always provided a title for the annual school revenue derived from the permanent funds. From 1861 to 1915 this income was known as the Current School Fund, since that time, as the Endowment Fund. The Statutes of 1861 provided that all moneys received as interest on the Permanent Fund or rents on leased lands should constitute the Current School Fund.[56] Moneys derived from the rent of lands were, however, added to the principal of the Permanent School Fund in accordance with constitutional provisions.[57] Later provisions added the proceeds of the state 1-mill school tax to the income from the permanent funds and designated the whole as the Current School Fund.[58] In 1915 the income from the permanent funds was specifically designated by law as the Endowment Fund.[59] All of these changes in title, however, have been ignored by the state auditor.[h] In

[53] *Minn. Constitution* art. 8 sec. 6.

[54] *Gen. Laws of Minn., 1862* chap. 2 sec. 43 p. 30.

[55] *Session Laws of Minn., 1917* chap. 464 p. 765.

[56] *Gen. Laws of Minn., 1861* sec. 42 p. 93.

[57] *Minn. Constitution* art. 8 sec. 2.

[58] *Gen. Statutes of Minn., 1913* sec. 2915 p. 648.

[59] *Session Laws of Minn., 1915* chap. 296 sec. 1 p. 416.

[g] "Municipal" is used to designate all local bonds upon which loans of state moneys may be made.

[h] Verified by information in response to personal inquiry by the author, May 14, 1918.

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all of his reports the income from the permanent school funds is referred to as the General School Fund.[60]

Since 1864, the income from the permanent school funds has been apportioned to the public schools. Until 1880 the amount so derived was reported as a separate fund. Since 1880 the income from the permanent funds has been combined with the proceeds of the 1-mill tax and disbursed as the Current School Fund. For that reason there is no available statement of the amount actually received from the permanent funds. The amounts given in Table XV have been computed by selecting from the auditor's report of the General School Fund[60] those items which have been derived from the income of the permanent school funds. This method was followed on the advice of the auditor's office. The data in this regard given in federal reports are inaccurate and badly confused.

Apportionment of the Endowment Fund

The basis of the apportionment and the requirements for participation in school revenues are of great importance in determining both the usefulness and influence of those revenues. It has been pointed out in Chapter II that the present basis of apportionment of the Endowment Fund is that of school enrollment. This is a basis which can have only a very small effect upon the development of the schools. In all, only two bases of apportionment have ever been applied to the Endowment Fund. These are (1) school population and (2) school enrollment. This first holds out no incentive whatever for the improvement of the schools. The second encourages a community to secure the enrollment of all pupils and to keep them in school long enough to entitle them to be classed as scholars.

The Constitution of 1858 provided that "the income arising from the lease or sale of said school lands shall be distributed to the different townships throughout the state in proportion to the number of scholars in each township between the ages of five and twenty-one years." All later provisions relating to apportionment are concerned with definitions of the term scholar as used in this section, or with prescribed requirements for participation in the moneys.

[60] *Rept. Minn. State Auditor, 1915-16* p. 83.

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TABLE XV

Income from the Permanent School Funds—1864–1917

Year	Income from permanent school fund	Income from swamp-land fund	Total income from permanent school fund[i]	Per cent of total school revenues derived from permanent school funds[k]
1864[j]	$70,016.45[61]			
1865	55,474.10[62]			
1870	176,806.35[63]			23+[66]
1875	191,578.50[64]			10+[67]
1880	250,485.90[65]			15+[68]
1885	282,505.71[69]			11+[70]
1890	375,642.07[71]			08+[72]
1895	547,272.98[73]			11+[74]
1900	658,256.70[75]			14+[77]
1905	599,143.11[76]			06+[78]
1907	678,577.61[79]	$62,144.72[79]	740,722.33	06+[80]
1908	686,432.55[81]	18,637.16[81]	705,069.71	05+[82]
1909[l]	64,807.49[83]	22,356.62[83]	87,164.11	07+[84]
1910	765,046.06[85]	26,368.26[85]	791,414.32	05+[86]
1911	781,878.40[87]	30,288.11[87]	812,166.51	07+[88]
1912	850,287.59[88]	47,860.40[88]	898,147.99	06+[89]
1913	888,233.31[90]	62,875.22[90]	951,108.53	06+[91]
1914	956,256.90[92]	72,625.25[92]	1,028,882.25	06+[93]
1915	882,109.30[94]	69,412.88[94]	951,522.18	05+[95]
1916	963,878.21[96]	71,694.48[98]	1,035,572.69	06+[97]

[61] *Rept. Minn. Dept. of Educ., 1915-16* p. 12 Table 3.
[62] *Ibid.*
[63] *Ibid.*
[64] *Ibid.*
[65] *Ibid.*
[66] *Rept. Minn. Supt. of Public Instr., 1870* p. 505.
[67] *Ibid. 1875* p. 553.
[68] *Bienn. Rept. Minn. State Auditor, 1881-82* p. 21.
[69] *Ibid. 1885-86* p. 20.
[70] *Rept. U. S. Commissioner of Educ., 1885-86* p. 10.
[71] *Bienn. Rept. Minn. State Auditor, 1889-90* p. 31.
[72] *Rept. U. S. Commissioner of Educ., 1890-91* 1:20.
[73] *Bienn. Rept. Minn. State Auditor, 1895-96* p. 77.
[74] *Rept. U. S. Commissioner of Educ., 1895-96* 1:lxx.
[75] *Bienn. Rept. Minn. State Auditor, 1899-1900* p. 42.
[76] *Ibid. 1905-06* p. 65.
[77] *Rept. Minn. Supt. Public Instr., 1901-02.*
[78] *Rept. U. S. Commissioner of Educ., 1905* 1:410.

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The Statutes of 1862 provided for apportionment on the basis of the number of persons between five and twenty-one in the several counties of the state, making the apportionment on the simple basis of school population.[99]

In 1887 the basis of apportionment was changed from school population to school enrollment.[100] The apportionment was in proportion to the number of scholars between the ages of five and twenty-one who had been enrolled and had been in attendance forty days in the public schools that had been in session at least five months within the year.[101]

This basis of apportionment remains unchanged although the requirements for participation have been raised.

[79] *Bienn. Rept. Minn. State Auditor, 1907-08* p. 65.
[80] *Rept. U. S. Commissioner of Educ., 1907* 2:557.
[81] *Bienn. Rept. Minn. State Auditor, 1907-08* p. 72.
[82] *Rept. U. S. Commissioner of Educ., 1908* 2:398.
[83] *Bienn. Rept. Minn. State Auditor, 1909-10* p. 68.
[84] *Rept. U. S. Commissioner of Educ., 1909* 2:613.
[85] *Bienn. Rept. Minn. State Auditor, 1909-10* p. 74.
[86] *Rept. U. S. Commissioner of Educ., 1910* 2:678.
[87] *Bienn. Rept. Minn. State Auditor, 1911-12* p. 69.
[88] *Rept. U. S. Commissioner of Educ., 1911* 2:701.
[89] *Bienn. Rept. Minn. State Auditor, 1911-12* p. 76.
[90] *Rept. Minn. Dept. of Educ., 1913-14* p. 9.
[91] *Bienn. Rept. Minn. State Auditor, 1913-14* p. 71.
[92] *Rept. Minn. Dept. of Educ., 1913-14* p. 9.
[93] *Bienn. Rept. Minn. State Auditor, 1913-14* p. 78.
[94] *Rept. Minn. State Dept. of Educ., 1913-14* p. 9.
[95] *Bienn. Rept. Minn. State Auditor, 1915-16* p. 75.
[96] *Rept. Minn. Dept. of Educ., 1915-16* p. 9.
[97] *Bienn. Rept. Minn. State Auditor, 1915-16* p. 83.
[98] *Rept. Minn. Dept. of Educ., 1915-16* p. 9.
[99] *Gen. Laws of Minn., 1862* chap. 2 sec. 43 p. 30.
[100] *Ibid., 1887* chap. 41 sec. 1 p. 94.
[101] *Ibid., 1861* chap. 11 sec. 41 p. 66.

[i] Computed from data given in this table.

[j] Data from 1864 to 1880 taken from *Rept. Minn. Dept. of Educ., 1915-16* p. 12 Table 3. After 1880 the amounts given in that table include the state 1-mill tax.

[k] Percentages in this column are computed on the basis of total revenues exclusive of balances on hand and income from the sale of bonds. The numbered footnotes give the sources of the total revenue for that year.

[l] Since the report of the state superintendent shows no decrease in the Current School Fund for 1909, there is reason to suppose that the amount given here may be in error. However, since the state superintendent does not report these funds separately, it is not possible to check the report of the auditor.

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Requirements for Participation

The requirements for participation in a fund show the direction in which it influences the schools to develop. If the requirements are up to or slightly above the average conditions found in the schools, the fund may serue as an incentive for improvement of the poorer schools. There seems to have been no time when the requirements for participation in the Endowment Fund were much in advance of the average educational conditions. It has, however, been made a means for securing reports from local officials and for maintaining closer relations between the schools and the state department. The requirements for participation are of three kinds: (1) length of school term, (2) qualification of the teacher, (3) reports from teachers and officials.

For participation in the Endowment Fund, the act of 1861 required a school term of three months taught by a properly licensed teacher.[102] In 1887 the requirement was increased to five months.[103] In 1915 the required term was made six months.[104] This still stands, although the average length of term for the state in 1914 was eight months.

The Statutes of 1861 provided that the number of scholars should be determined from an annual local report, thus making reports to state officials an implied condition of participation.[105] It is to be observed, however, that in 1862[106] and again in 1863[107] the legislature passed acts extending the time for filing reports of district clerks for participation in the apportionment. In 1862 more specific requirements for reports were added. These provide for a report of school population and apportionment of funds to be made by the county auditor to the superintendent of public instruction.[108] A fine of $50 for failure to report is also provided.[109] The county superintendent was required to report to the superintendent of public instruction:[110] (1) number

[102] *Gen. Laws of Minn., 1861* chap. 11 sec. 41 p. 66.
[103] *Ibid., 1887* chap. 41 sec. 1 p. 94.
[104] *Ibid., 1915* chap. 296 sec. 3 p. 416.
[105] *School Laws of Minn., 1861* p. 51.
[106] *Gen. Laws of Minn., Extra Session of 1862* chap. 14 p. 59.
[107] *Ibid., 1863* chap. 10 p. 44.
[108] *Ibid., 1862* chap. 1 sec. 23 p. 24.
[109] *Ibid.*
[110] *Ibid.*

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of districts in his county; (2) districts which have made reports to him; (3) length of time a school has been taught in each district by an authorized teacher; (4) amount of money received from each source for use of schools; (5) amount disbursed to each district and amount on hand; (6) number of persons in each district between ages of five and twenty-one, distinguishing between males and females, and numbers that have attended school during one year, and number between fifteen and twenty-one years of age; (7) amount of money raised in district and paid for teachers' wages in addition to public money paid therefore; amount of money raised for purchasing school sites, for buildings, hiring, purchasing, repairing, insuring, and ornamenting schoolhouses and grounds since date of his report; (8) number of private schools, high schools, colleges, and universities in his county, their condition and resources and the number of teachers and pupils therein.

In 1887 a further enactment required the teacher to make a term report to the county superintendent.[111] The teacher's wages were to be withheld until all reports due had been filed.[112]

LAWFUL OBJECTS

The Current School Fund has always been used primarily for the payment of teachers' wages. Until 1878, the law of 1856 remained in effect. This permitted the use of the fund "for necessary repairs of the schoolhouse and for defraying the actual expenses needed for holding schools therein, provided that enough[113] money [was] reserved to pay the teachers' wages." Naturally, this encouraged many districts to pay as low wages as possible. In 1877, the law provided that money in the county treasury from the Current School Fund should be used only in payment of teachers' wages, including board.[114] The present law forbids the use of the Current School Fund for any other purpose than the payment of teachers' wages and further makes any treasurer personally liable for the amount of the teachers' wages if he has used such moneys for any other purpose.[115]

No changes have been made in the forbidden uses or the penalties for misuse of the funds. Present provisions governing these points are discussed in Chapter II.

[111] *Laws of Minn. Relating to Public Schools, 1881* p. 18.

[112] *Ibid.*

[113] *Session Laws of Minn., 1856* chap. 24 p. 29.

[114] *Revised Laws of Minn., 1878* sec. 79 p. 483.

[115] *Gen. Statutes of Minn., 1913* sec. 2762 p. 624.

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CHAPTER V

HISTORY OF SPECIAL STATE APPROPRIATIONS FOR THE SUPPORT OF PUBLIC SCHOOLS IN MINNESOTA

Since 1878 the State of Minnesota has made special appropriations for state aid to certain types of schools, departments, and districts. These have been either special or annual appropriations; and the money has sometimes been distributed on a sliding scale according to enrollment, number of teachers, or some other basis, but more often has been awarded in flat sums. These appropriations have grown in number, size, and importance. No title was provided for them until 1915. The laws of that year contain the following provision:

> For the purpose of aid to public schools there shall be established the following state funds: . . . *The Annual Fund*, which shall consist of the sums appropriated by the legislature for special aid to public schools or departments in the schools.[1]

The moneys of the Annual Fund have always been paid to school districts as such. The district first complies with certain requirements and then receives the special aid. The law has never made any requirements as to the use of the money apportioned. It can not be used for the purchase of buildings or sites, but aside from that, no direction is given as to its expenditure. It is added to the moneys available for school use and is not treated as a separate fund.

The Annual Fund has attracted much attention and discussion. Beginning with the high school as the only object benefited by it, it has been extended until it now reaches no less than twenty-one types of schools, districts, and instruction. Its appropriation and administration have been changed very little if any; its benefits have been extended further and further as will be seen by reference to Table XVII, page 57.

There are three reasons which probably contributed to the growth of this form of aid. It has usually been so administered as to contribute to the direct and conspicuous improvement of the schools. The amounts were sufficient to be a distinct and

[1] *Gen. Laws of Minn., 1915* chap. 296 sec. 1 p. 416.

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appreciable aid to the districts receiving them, which resulted in enlisting the enthusiastic support of the districts and consequently favored the development of this general policy. It was possible to make these appropriations from year to year without increasing the amount of school taxes levied, that is, it was not necessary for the legislature to make a separate levy to raise these moneys, since they, like other appropriations, were drawn from the ever-increasing general revenues. Educators were pleased with the improvement in the schools; districts receiving or desiring to receive apportionments were satisfied by the financial help; and the taxpayer was not alarmed by a proposal to double or triple the state school tax. For all of these reasons, no very keen analysis of the extension of the system seems to have been made.

It is of significance, also, that the legislature has put practically only one check upon the State High School Board in the disbursement of the Annual Fund. In 1911 it forbade the use of the total days of attendance as a basis for apportionment.[2] This basis is one which Cubberley recognizes as valuable,[3] and is one of the two bases recommended in 1914 by the Public School Commission.[4] This provision does not appear in the school laws for 1915.

The number of new schools qualifying for aid each year has been so great that there have been large deficits in the Annual Fund. The $150,000 set aside from the proceeds of the state 1-mill school tax is not sufficient to cover these deficits. It has been customary to apportion the available money pro rata among the schools qualifying, and to ask the next session of the legislature to appropriate money to cover the deficits. The increase in the amount of this deficit has been a source of inconvenience and alarm and is one of the evident defects of the present system.

In 1914 the Public School Commission appointed by the legislature reported that the system of rural-school aid should be revised.[5] The legislature ignored the recommendations of

[2] *Ibid., 1911* chap. 61 sec. 1 p. 79.

[3] E. P. Cubberley, *School Funds and Their Apportionment* p. 252.

[4] Public Education Commission, *Report to the Governor, 1914* p. 24.

[5] *Ibid.* p. 25.

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this commission. In 1917 the governor vetoed a bill appropriating $1,070,000 to pay the deficit in state aid for 1916-17. In explanation of this, he wrote, "It is generally admitted that the state-aid plan should be changed. The need of a change is one reason why I vetoed the school-aid item referred to."[6] He then appointed a committee to make recommendations for changes in the school laws. It is expected that the report of this committee will be presented to the next session of the legislature. The welfare of the schools is at stake in this matter, and the action of the legislature is of vital importance.

The administration of special state aid to public schools in Minnesota has always been in the hands of the State High School Board.[a] A brief account of this board and its work is necessary to any discussion of state aid.

The State High School Board was created in 1878,[7] the same year in which special aid was first granted. This board, as provided by law, consisted of the superintendent of public instruction, the president of the University, and one member appointed by the governor. Its function was "to establish any necessary and suitable rules and regulations relating to examinations, reports and other proceedings under this act."[8]

Three years later, in 1881, the powers of the board were extended by an act providing that "The High School Board shall have full discretionary power to consider and act upon applications of schools for state aid, and to prescribe the conditions upon which said aid shall be granted, and it shall be its duty to accept and aid such schools only as will, in its opinion, if aided, efficiently perform the service contemplated by law."[9]

In 1895, when special aid was granted to normal-training departments in high schools, the president of the Board of Normal Schools was made a member of the State High School Board.[10]

[6] Gov. J. A. A. Burnquist, *Statement by Governor Relative to State Aid to Schools and a Veto of a Portion Thereof* p. 3.

[7] *Gen. Laws of Minn., 1887* chap. 92 sec. 1 p. 154.

[8] *Ibid.*

[9] *Ibid., 1881* chap. 61 sec. 1 p. 62.

[10] *Ibid., 1895* chap. 186 p. 453.

[a] The State Board of Education mentioned in the statutes has never been organized. Its duties are performed by the State High School Board and the State Superintendent. (See *Laws Relating to Public Schools in Minn., 1915* sec. 209 p. 65.)

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The Statutes of 1901 provided that the board should be composed of (1) the superintendent of public instruction, (2) the president of the state university, and (3) the superintendent or principal of any high school in Minnesota, to be appointed by the governor and confirmed by the senate.[11] Although the president of the Board of Normal Schools is not named in this list, his name appears in the state reports as a member of the State High School Board. Apparently this was an accidental omission in the wording of the law. The provision seems never to have been put into effect. In the same year, the board was empowered to establish any necessary and suitable rules and regulations relating to examinations, reports, acceptances of schools, courses of study, and other proceedings in connection with state aid.[12]

The Statutes of 1913 give the composition of the board as follows: (1) state superintendent of public instruction, (2) president of the state university, (3) president of the Board of Normal School Directors, (4) the superintendent or principal of a high school, and (5) one other person appointed by the governor and confirmed by the senate.[13]

The laws of 1915 provide that "the State Board of Education[b] shall distribute the annual funds and any other sums appropriated by the state to schools and libraries, in such manner and upon such condition as will enable them to perform efficiently the services required by law, and to further the educational interests of the state. To this end the State Board shall have power to fix the requirements for receiving and sharing in state aid."[14]

With almost negligible exceptions, the legislature has never interfered with the powers thus conferred upon the board. It is evident from the provisions of the statute that the rules of the board have all the force of law. The legislature appropriates moneys for state aid, but the State High School Board practically determines what schools shall share in that aid. No provision is made for any appeal from their decision. The regulations of the board governing the conditions for participation in state aid have been issued from time to time in the form

[11] *Gen. Laws of Minn., 1901* chap. 148 p. 193.

[12] *Ibid.*

[13] *Gen. Statutes of Minn., 1913* sec. 2888 p. 644.

[14] *Gen. Laws of Minn., 1915* chap. 296 sec. 2 p. 416.

[b] See note a, p. 52.

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of bulletins. These regulations have gradually raised the requirements for participation and have been of very great importance in the progress of the schools. The rules of the board are decidedly detailed and too lengthy for reproduction here.[c]

TABLE XVI

STATE AID TO PUBLIC SCHOOLS—1882–1916[15]

YEAR	HIGH SCHOOL	GRADED SCHOOL	CONSOLIDATED SCHOOL	SEMI-GRADED SCHOOL	RURAL SCHOOLS		
					FIRST CLASS	SECOND CLASS	C CLASS
1882	38	.....	.....	.....	.....	.....	.....
1884	53	.....	.....	.....	.....	.....	.....
1886	58	.....	.....	.....	.....	.....	.....
1888	57	.....	.....	.....	.....	.....	.....
1890	67	.....	.....	.....	.....	.....	.....
1892	69	.....	.....	.....	.....	.....	.....
1894	85	.....	.....	.....	.....	.....	.....
1896	86	87	.....	.....	.....	.....	.....
1898	100	97	.....	.....	.....	.....	.....
1899	.....	.....	.....	.....	457	.....	.....
1900	115	110	.....	190	662	.....	.....
1902	141	119	.....	243	747	.....	.....
1904	162	145	.....	270	835	.....	.....
1906	192	142	.....	309	1,094	492	.....
1908	206	152	.....	340	1,305	632	.....
1910[d]	206	165	.....	399	1,860	1,127	.....
1912	211	201	32	435	2,453	1,396	555
1914	215	222	80	463	3,208	1,435	745
1916	230	241	139	507	3,992	2,018	.....

Table XVI summarizes the number of each class of schools receiving special aid from 1882 to 1916.

The history of appropriations for special state aid is one of increasing amounts appropriated for the benefit of an ever-growing number of objects. From 1878 to 1896 state aid was apportioned only to high schools. In 1896 graded schools received aid also; in 1899, rural schools; in 1900, semi-graded schools; in 1906, rural schools of the second class; and in 1912, consolidated schools and rural schools of Class C. In 1882, the first year for which there are returns, 38 high schools received state aid;

[15] *Gen. Laws of Minn., 1915* chap. 296 sec. 2 p. 416.

[c] See p. 25.

[d] Classification changed to high and graded and semi-graded and rural in 1910.

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in 1916, 230 high schools, 241 graded schools, 139 consolidated schools, 507 semi-graded schools, 3,992 Class A rural schools, and 2,018 Class C rural schools, a total of 7,127 schools.[16] Many of these schools, it should be noted also, received aid on several bases, so that these figures only partly show the increase in aid granted.

The objects benefited by appropriations for state aid are divided into seven types: (1) high schools, (2) graded schools, (3) consolidated schools, (4) semi-graded and rural schools, (5) special departments in the various types of schools, (6) districts levying a special school tax of more than twenty mills, and (7) school libraries. In the discussion of the aid given to each of these classes of objects, it should be remembered that in every case the requirements for participation have always been subject to interpretation and additions by the State High School Board.[e]

State Aid to High Schools

Special aid to high schools has always consisted of flat sums awarded to districts supporting high schools meeting the requirements of the State High School Board. No particular restrictions have ever been put upon the use of the money. Since 1909 it has been provided that no district shall receive more high-school aid than the amount expended for the current support of the high school.[17]

The first state aid to high schools was granted in 1878. Four hundred dollars was to be paid to each school complying with the following requirements:

> First, that there shall be regular and orderly courses of study, embracing all the branches prescribed as prerequisite for admission to the collegiate department of the University of Minnesota, not lower than the third, or sub-freshman class. Second, that the said school receiving pecuniary aid under this act, shall at all times permit the said board of commissioners, or any of them, to visit and examine the classes pursuing the same preparatory courses.[18]

In 1899, the amount of aid to each high school was increased from $400 to $800, and the following requirements were made:

[16] *Nineteenth Bienn. Rept. Minn. Dept. of Educ., 1915-16* p. 13.

[17] *Gen. Laws of Minn., 1909* chap. 334 sec. 1 p. 381.

[18] *Ibid., 1878* chap. 92 sec. 5 p. 155.

[e] See p. 25.

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(1) a term of nine months, (2) free tuition for residents of the state of school age, (3) a regular and orderly course of study embracing all branches prescribed by the State High School Board as prerequisite for admission to the collegiate department of the state university, (4) meeting the regulations of the State High School Board, and being open to inspection by them at any time.[19]

Aid to high schools was increased to $1,000 in 1901;[20] and to $1,500 in 1903.[21] In 1909 it was increased to $1,750 with the provision that no high school should receive more than the amount actually expended exclusive of buildings and repairs.[22] In 1913 aid was made $2,200,[23] the most that has ever been paid. In 1915, important changes in state aid were introduced. Besides flat sums to high schools, aid for special departments within the high schools was provided. This made it possible for a high school to receive aid on more than one basis and for more than one purpose. At the same time, the aid for high-school work alone was reduced to $1,800.[24]

In 1881, the number of schools which could be aided in any one county was limited to three.[25] The minimum period of aid to a school which continued to comply with requirements was fixed at three years.[26] In 1883, permission was given to grant aid to not more than five schools within any one county.[27] In 1901 the number of schools to be aided in any one county was increased to seven, and the minimum time for such aid to a school which continued to comply with regulations was decreased from three to two years.[28] The maximum number of state high schools in any one county was increased to nine in 1909.[f]

[19] *Gen. Laws of Minn., 1899* chap. 352 art. 3 sec. 12 p. 471.

[20] *Ibid., 1901* chap. 189 sec. 1 p. 265.

[21] *Ibid., 1903* chap. 184 sec. 1 p. 274.

[22] *Ibid., 1909* chap. 334 sec. 1 p. 381.

[23] *Ibid., 1913* chap. 298 p. 427.

[24] *Ibid., 1915* chap. 296 sec. 6 p. 417.

[25] *Ibid., Extra Session, 1881* chap. 61 p. 62.

[26] *Ibid.*

[27] *Ibid., 1883* chap. 40 sec. 1 p. 41.

[28] *Ibid., 1901* chap. 19 sec. 1 p. 20.

[f] "According to the general statutes of both 1905 and 1913, the limit as to number of high schools to receive aid in any one county is seven, although the general laws of 1909 give it as nine, The place where the maximum number was changed from seven to nine cannot be found. The general statutes are supposed to be final by court practice." R. A. Kent, *State Aid to Public Schools* p. 29.

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No limit upon the number of schools to be aided in any county is to be found in the school laws of 1915.

The number of high schools receiving aid under this plan has increased steadily and consistently from the beginning, as will be seen by consulting Table XVII. At present, these flat sums granted to high schools are not, it must be remembered, the only types of aid which high schools may be eligible to receive. High schools, graded, and consolidated schools all receive aid for association[g] and for industrial departments.[h] For that reason those types of aid are discussed separately.

The number of high schools receiving aid and the amount of aid provided by law for each appear in the following table.

TABLE XVII

NUMBER OF HIGH SCHOOLS RECEIVING AID AND THE AMOUNT OF AID PROVIDED BY LAW—1882–1916

YEAR	NUMBER OF HIGH SCHOOLS[29]	AMOUNT OF AID
1882	38	$ 400[30]
1884	53	400[30]
1886	58	400[30]
1888	57	400[30]
1890	62	400[30]
1892	69	400[30]
1894	85	400[30]
1896	86	400[30]
1898	100	400[30]
1900	115	800[31]
1902	141	1,000[32]
1904	162	1,500[33]
1906	192	1,500[33]
1908	206	1,500[33]
1910	206	1,750[34] (Not to exceed the amount expended)
1912	211	1,750[34] (Not to exceed the amount expended)
1914	215	2,200[35] (Not to exceed the amount expended)
1916	230	1,800[36] (Plus aid to special departments)

[29] *Nineteenth Bienn. Rept. Minn. Dept. of Educ., 1915-16* p. 13.

[30] *Gen. Laws of Minn., 1878* chap. 92 sec. 5 p. 155.

[31] *Ibid., 1899* chap. 352 art. 3 sec. 12 p. 471.

[32] *Ibid., 1901* chap. 189 sec. 1 p. 265.

[33] *Ibid., 1903* chap. 184 sec. 1 p. 274.

[34] *Ibid., 1909* chap. 334 sec. 1 p. 381.

[35] *Ibid., 1913* chap. 298 p. 427.

[36] *Ibid., 1915* chap. 296 sec. 6 p. 417.

[g] See p. 60.

[h] See p. 63.

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Aid to Graded Schools

Aid to graded schools was first granted in 1895. This applied only to graded schools outside towns and cities having state-aided high schools. The requirements for participation in this aid were left entirely to the judgment of the State High School Board. The amount payable to each school was $200.[37]

In 1899, the legislature prescribed the following conditions for aid to graded schools: (1) a school session of nine months; (2) at least four departments of instruction in charge of teachers and a principal having the qualifications required by the State High School Board; (3) suitable buildings, library, and other apparatus; (4) regular and orderly courses of study including all branches required by the State High School Board.[38]

In 1901 the amount of aid for each school was increased to $400,[39] in 1903 to $550[40], and in 1909 to $600.[41] In 1909, $500 further special aid to graded schools offering two years of high-school work was authorized.[42] In 1913, aid was increased to a maximum of $700, or not more than one half the amount raised by the special local school tax for current expenses.[43]

In 1915 a new basis for distribution of aid to graded schools was established. A graded school in session nine months might receive: (1) $600, (2) $100 for each grade teacher employed in excess of four, (3) $250 for each high-school teacher employed (total not to exceed $1,300 under this provision).[44] The first year that aid was extended to graded schools the number of graded schools receiving aid was greater by one than the number of high schools so aided. Since that time, neither group has been consistently larger than the other, nor has there been any great difference between them, as will be seen by referring to Table XVI above.

Graded schools are eligible under certain circumstances to receive aid as central schools for association with rural schools.[i]

[37] *Gen. Laws of Minn., 1895* chap. 183 p. 451.
[38] *Ibid., 1899* chap. 352 art. 3 sec. 12 p. 468.
[39] *Ibid., 1901* chap. 189 sec. 2 p. 265.
[40] *Ibid., 1903* chap. 184 sec. 2 p. 275.
[41] *Ibid., 1909* chap. 334 sec. 1 p. 381.
[42] *Ibid., 1909* chap. 444 p. 540.
[43] *Ibid., 1913* chap. 298 p. 427.
[44] *Ibid., 1915* chap. 296 sec. 5 p. 416.

[i] See p. 60.

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They may also receive special aid for the support of industrial departments.[j]

Aid to Rural and Semi-Graded Schools

Special aid to rural schools in Minnesota differs from all other special aid apportioned in that there have never been enough rural-school inspectors to visit each school every year, as is done in the case of high and graded schools receiving state aid. The funds are in the hands of the State High School Board, but the report of local officials approved by the county superintendent replaces state inspection.[45]

From 1899 to 1911 state aid was given to two classes of rural schools, semi-graded and rural.

Semi-graded schools received $100 per year and were required to meet the following conditions: 1. An eight months session. 2. Two departments under teachers holding prescribed certificates. (One teacher was required to hold a first-grade or a professional certificate or to be a graduate of the advanced course of a normal school. The other teachers were required to hold second-grade certificates.) 3. Suitable buildings, a library, necessary apparatus. 4. A "regular and orderly" course of study. 5. Compliance with the rules of the superintendent of public instruction.[46] The amount of aid was increased to $200 in 1901,[47] to $250 in 1903,[48] and to $300 in 1909.[49]

Aid to the so-called rural schools, or one-teacher rural schools, began with $50 in 1897.[50] In 1899 the amount of aid was increased to $75, and the conditions were made the same as for semi-graded schools except that one-teacher schools were not required to employ a teacher holding a first-grade or a professional certificate.[51]

In 1901 this aid was increased to $100,[52] in 1903 to $125,[53] in 1909 to $150.[54]

[45] *Nineteenth Bienn. Rept. Minn. Dept. of Educ., 1915-16* p. 70.
[46] *Gen. Laws of Minn., 1899* chap. 334 sec. 1 p. 381.
[47] *Ibid., 1901* chap. 189 sec. 3 p. 265.
[48] *Ibid., 1903* chap. 366 sec. 2 p. 665.
[49] *Ibid., 1909* chap. 334 p. 381.
[50] *Ibid., 1897* chap. 259 p. 483.
[51] *Ibid., 1899* chap. 352 art. 5 sec. 25 p. 469.
[52] *Ibid., 1901* chap. 189 sec. 4 p. 265.
[53] *Ibid., 1903* chap. 366 sec. 3 p. 665.
[54] *Ibid., 1909* chap. 334 sec. 1 p. 381.

[j] See p. 63.

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In 1909 aid was given to schools meeting all of these requirements except the one relating to certification of teachers. Such schools employing a teacher holding a second-grade certificate were granted $100.[55]

In 1911 rural schools were reclassified and granted aid as follows:[56]

Class A.....Not more than $150
1. Eight-months sessions
2. Teachers holding first-grade certificates

Class B.....Not more than $100
1. Eight-months sessions
2. Teachers holding second-grade certificates

Class C.....Not more than $75
1. Seven-months sessions
2. Teachers holding second-grade certificates

The same year $150 aid was granted to any district discontinuing its own schools and providing for the transportation and instruction of its pupils in an adjoining district.[57]

The control of the State High School Board in the apportionment of this special aid was limited by a requirement that "aggregate-days-attendance" should not be used as "a rule [i.e. as a basis] for granting such aid."[58]

In 1915, the 1911 classification of rural schools into classes A, B, and C was dropped, and the number of teachers employed was used as a basis for apportionment as follows: 1. Each rural school in session eight months receives $150 for each teacher holding a first-grade certificate; 2. Each rural school in session seven months receives $100 for each teacher holding a second-grade certificate.[59]

A special type of aid to rural schools is that called Association Aid. In 1911, for the purpose of securing better supervision in rural schools and encouraging the teaching of agriculture, it was provided that rural schools might become "associated" with state high or graded schools having courses in agriculture. The "associated" rural school was required to defray part of the expense of the industrial education and was to be under the supervision of the principal or superintendent of the central

[55] *Gen. Laws of Minn., 1909* chap. 334 sec. 1 p. 381.
[56] *Ibid., 1911* chap. 60 sec. 1 p. 79.
[57] *Ibid.* chap. 167 p. 212.
[58] *Ibid.* chap. 60 sec. 1 p. 79.
[59] *Ibid., 1915* chap. 296 sec. 4 p. 416.

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school. The central school was granted $150 for each rural school so associated with it, and the rural school, $50.[60] In 1915, the amount granted the central school was increased to $200, but no increase was made in the amount due the associated rural school.[61]

From the first year that aid was granted to rural schools, the number of such schools receiving aid has been greater than that of all other schools combined.

Aid to Consolidated Schools

Aid for consolidated schools was first awarded in 1901, when it was provided that districts might consolidate and qualify for special state aid in the same manner as any other independent district.[62] Nine years later, in 1910, the state superintendent wrote:

> Comparatively little progress in rural school consolidation has been made, and it seems certain that little will be, through the mere argument that better schools will follow. The state must hold out a financial inducement before the small district will merge into the larger unit.[63]

In 1911, such "financial inducement" was offered in the form of special state aid. Consolidated schools were required (1) to have an eight months' session and (2) to employ a principal especially prepared to direct the teaching of agriculture and other industrial subjects.[64]

In addition to these general requirements, the following classification and apportionment were made.

TABLE XVIII

State Aid to Consolidated Schools in 1911[65]

Class	Requirements	Amount of aid
Class A	1. District area of not less than 18 sections[k] 2. Building of four rooms	$1,500
Class B	1. District area of not less than 18 sections 2. Building of three rooms	$1,000
Class C	1. District area of not less than 12 sections 2. Building of two rooms	$750

[60] *Ibid., 1911* chap. 82 p. 97.

[61] *Ibid., 1915* chap. 296 sec. 12 p. 418.

[62] *Ibid., 1901* chap. 262 p. 432.

[63] *Bienn. Rept. Minn. Supt. of Public Instr., 1909-10* p. 12.

[64] *Gen. Laws of Minn., 1911* chap. 207 p. 268.

[65] *Ibid.*

[k] A section contains 640 acres.

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Special building aid not to exceed 25 per cent of the cost of the building nor more than $1,500 was provided for consolidated schools of all of the three classes.

Under these provisions, 32 consolidated districts received aid in 1912,[66] and 80 in 1914.[67]

In 1915 the classification and apportionment for consolidated schools were changed. General requirements for consolidated schools adopted in 1913 included:[68] (1) suitable schoolhouses with necessary rooms and equipment; (2) transportation or room and board for pupils living more than two miles away; (3) library and necessary apparatus; (4) course of study as prescribed by the superintendent of public instruction; (5) a principal and other teachers having such qualifications as may be fixed by the superintendent of education; (6) an area of not less than twelve sections or of ten sections containing an incorporated village and having a valuation between $200,000 and $1,000,000.

Two classes of consolidated schools receive aid as follows:[69]

Class A	$ 500
1. Session of 8 months	
2. 4 departments	
Class B	250
1. 2 departments	
Both classes	
Reasonable expense for transportation of pupils—not to exceed	2,000
Both classes	
¼ the cost of buildings—not to exceed	2,000

Under these provisions the number of consolidated schools receiving aid increased from 80 in 1914 to 139 in 1916.[70] The superintendent's report for that year gives the total number of consolidated districts in the state as 210, and the total enrollment in consolidated schools as 35,716 pupils.[71]

Consolidated schools are eligible for aid through their special departments as well,[l] and for "association" aid.[m]

[66] *Nineteenth Bienn. Rept. Minn. Dept. of Educ., 1915-16* p. 13.

[67] *Ibid.*

[68] *Gen. Laws of Minn., 1915* chap. 296 sec. 9 p. 417.

[69] *Bienn. Rept. Minn. Dept. of Educ., 1915-16* p. 35.

[70] *Ibid.* p. 36.

[71] *Ibid.*

[l] See p. 63.

[m] See p. 60.

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Aid to Special Departments

Aid to special industrial departments began in 1909, and has been extended at some time to all of the following departments: (1) teacher training; (2) agriculture; (3) manual training; (4) home training; (5) commercial training. Any of these departments except the teacher training may be in connection with a state high, graded, or consolidated school. Teacher-training departments must be in four-year high schools.

TEACHER-TRAINING DEPARTMENTS

Teacher-training departments were the first special departments to receive aid in Minnesota. Provision was first made for them in 1895,[72] and their growth has been steady since that time. The deficits in the apportionment of state aid to other departments has never affected them. It has been the policy of the state to regard them as a part of the state system for training teachers rather than as a feature of local school advantages, and the state has borne the largest part of their expense.

In 1895, $500 aid was provided for teacher-training departments meeting the following requirements: (1) connected with a state high school; (2) offering a review of common branches and a course in methods in the senior year; (3) admitting only students who had completed three years of high-school work; (4) employing a special teacher with special training; (5) having not fewer than eight pupils.[73]

In 1897, another act provided for the payment of the 1895 aid to schools which had complied with all of the requirements except that relating to the number of pupils.[74] An act of 1903 increased the amount of annual aid to $750.[75] In 1913, aid was increased to $1,000.[76] The designation of the schools to receive such aid was left to the State High School Board.[77]

In 1915, the amount of aid was increased and was based on the size of the department as follows:[78]

[72] *Gen. Laws of Minn., 1895* chap. 186 p. 453.
[73] *Ibid.*
[74] *Ibid., 1897* chap. 276 p. 504.
[75] *Ibid., 1903* chap. 359 p. 649.
[76] *Ibid., 1913* chap. 267 sec. 1 p. 369.
[77] *Ibid.*
[78] *Ibid., 1915* chap. 296 sec. 8 p. 417.

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Departments employing 1 teacher.....$1,200
Departments employing more than 1 teacher—not to exceed..... 2,000
Departments employing more than 2 teachers and enrolling not less than 50 pupils—not to exceed..... 2,800

The number of these departments has steadily increased until the last biennium. The present policy of the board is to provide enough of them to serve as convenient local centers for the training of rural teachers rather than to make them a part of every high school.

The difficulty of securing much school data is well illustrated by the teacher-training departments. Although we know they existed from 1896 on, a search of the state superintendents' reports page by page gives no data for the years from 1896 to 1906. All data found concerning them appears in the following table:

TABLE XIX

NUMBER OF NORMAL-TRAINING DEPARTMENTS IN MINNESOTA—1896–1917

YEAR	NUMBER OF DEPARTMENTS	ENROLLMENT	ANNUAL STATE AID
1896	5[79]	...[a]	$ 500
1903	...[a]	...[a]	750
1906	13[80]	229[80]	750
1907	10[81]	182[81]	750
1908	10[82]	169[82]	750
1909	8[83]	...[a]	750
1910	28[80]	489[80]	750
1911	56[80]	740[80]	750
1912	81[80]	1,081[80]	750
1913	80[84]	979[84]	1,000
1914	105[85]	...[a]	1,000
1915	120[86]	...[a]	1,000
1916	129[87]	1,667[87]	1,000
1917	121[87]	1,515[87]	1,000

[79] *Bienn. Rept. Minn. Supt. of Public Instr., 1895-96* p. 56.
[80] *Ibid., 1911-12* p. 49.
[81] *Ibid., 1907-8* p. 172.
[82] *Ibid.*, p. 197.
[83] *Ibid., 1909-10* p. 274.
[84] *Ibid., 1912-13* p. 61.
[85] *Ibid., 1913-14* p. 34.
[86] *Ibid., 1915-16* p. 116.
[87] *Annual Rept. Minn. Inspector of State High Schools, 1917* p. 6.
[a] Not given in reports available.

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This table gives us an instance where another element than that of state aid has exercised great influence. From 1906 to 1909 there is a decrease of 38 per cent. From 1909 to 1910, without any increase of state aid, the number of departments increases more than 200 per cent, and by 1911 there are seven times as many as in 1909. This increase is due to the fact that the State High School Board ruled to accept the marks earned in such a course in lieu of an examination for a teacher's certificate.[88] State aid in itself is not sufficient to determine the development of schools in every case.

The work of these departments has been useful and generally satisfactory. With regard to their work, the state superintendent of education wrote in 1916:

> There has been a marked betterment in the training of teachers and the quality of teaching in the country. Through the services of our high-school teacher-training department, schools can now be provided with teachers who have had three or four years of high-school training and one year of professional work.[89]

AGRICULTURAL DEPARTMENTS

Aid to schools teaching agriculture has been appropriated and apportioned under three acts, namely: the Putnam Act, the Benson-Lee Act, and the special aid appropriations for 1915 and 1917.

The Putnam Act was passed in 1909, and provided $2,500 annual aid for high, graded, or consolidated schools fulfilling the following requirements:[90]

1. Instruction in
   a. agriculture
   b. manual training
   c. home training
2. Demonstration tract of not less than five acres
3. Free tuition to residents of the state
4. Detailed courses in agriculture
5. A winter short course if there was demand for it.

Aid was to be given to not more than ten schools the first year; not more than ten were to be added each following biennium; and only one school in any county could be added in any two years.[91]

[88] *Bienn. Rept. Minn. Supt. of Public Instr., 1909-10* p. 224.

[89] *Ibid., 1915-16* p. 34.

[90] *Gen. Laws of Minn., 1909* chap. 247 p. 291.

[91] *Ibid.*

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The provisions of this law have been carried out. The report for 1915 names thirty-eight schools receiving aid under this act.[92] It is evident that this is within two of the maximum number possible at this time under the provision for the addition of new schools to the list. This act was repealed by the Statutes of 1915.

The Benson-Lee Act was passed in 1911.[93] As passed, it gave $1,000 to any high or graded school offering instruction in agriculture and either home economics or manual training.[94] In 1913, the amount of aid offered was increased to $1,800 per year.[95] This act was superseded by the provisions of 1915.

In 1915 the present act was passed concerning aid for the teaching of agriculture. This provided that "high, graded, or consolidated schools maintaining courses in agriculture . . . . shall receive $1,000 for the agricultural course. . . . The amount of aid shall not exceed the salaries paid in the department."[96]

The state reports make no mention of instruction in agriculture previous to 1909-10, although a statement of the number of students studying each high-school subject is given. The increase in the total number of schools offering instruction in agriculture follows.

TABLE XX

DEPARTMENTS OF AGRICULTURE, ENROLLMENT AND AID

YEAR	DEPARTMENTS	ENROLLMENT	AMOUNT OF STATE AID
Previous to 1910	0	0	0
1909–10	48[o]	1,331[97]	$ 833[p]
1911–12	116[97]	2,961[97]	833[p] or 500[q]
1913–14	136[97]	4,053[97]	833[p] or 900[q]
1915–16	152[98]	9,656[98]	1,000[r]
1916–17	156[98]	10,322[98]	1,000[r]

[92] *Annual Rept. Minn. Inspector of State High Schools, 1914-15* p. 56.

[93] *Gen. Laws of Minn., 1911* chap. 91 p. 108.

[94] *Ibid.*

[95] *Ibid., 1913* chap. 96 p. 98.

[96] *Ibid., 1915* chap. 296 sec. 7 p. 417.

[97] *Ann. Rept. Minn. Inspector of State High Schools, 1914* p. 32.

[98] *Ibid., 1917* p. 6.

[o] Not all of these departments received aid. Only ten received state funds. See p. 65.

[p] Aid offered under the Putnam Act for agriculture *and* home economics and manual training.

[q] Aid offered under Benson-Lee Act for agriculture and *either* home economics or manual training.

[r] Aid offered for departments of agriculture alone.

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In 1916-17 there were only forty high schools in the state which did not offer instruction in agriculture.[99]

MANUAL-TRAINING AND HOME-ECONOMICS DEPARTMENTS

Departments of manual training and home economics first received special aid in 1909 under the Putnam Act,[s] which provides aid for schools offering agriculture, manual training, and home economics. In 1911, they were provided for in the Benson-Lee Act,[t] which gives aid to schools offering agriculture and either manual training or home economics.

In 1915, the law provided $600 in aid to each high or graded school for each department of either manual training or home economics.[100] In 1917, this portion of the act of 1915 was repealed,[101] and manual training and home economics no longer receive state aid.

TABLE XXI

DEPARTMENTS AND ENROLLMENT IN MANUAL TRAINING AND HOME ECONOMICS IN MINNESOTA—1894–1917

YEAR	MANUAL TRAINING			HOME ECONOMICS		
	NUMBER OF DEPARTMENTS	ENROLLMENT	AMOUNT OF STATE AID	NUMBER OF DEPARTMENTS	ENROLLMENT	AMOUNT OF STATE AID
1894.....	6[102u]	325[102u]	0[u]	0	0	0
1895.....	9[103]	678[103]	0	.....	.....	0
1900.....	7[104]	745[104]	0	.....	.....	0
1905.....	17[104]	2,189[104]	0	.....	.....	0
1910.....	122[104]	4,770[104]	$833[v]	Cooking 32[104] Sewing 61	1,267[104] 1,616	..... $833[v]
1912.....	168[104]	6,892[104]	$833[v] or 500[w]	Cooking 100[104] Sewing 146	3,662[104] 4,587	$833[v] or 500[w]
1913.....	180[104]	7,064[104]	$833[v] or 500[w]	Cooking 130[104] Sewing 154	4,795[104] 5,637	$833[v] or 500[w]
1914.....	185[104]	7,350[104]	$833[v] or 900[w]	Cooking 165[104] Sewing 179	5,799[104] 6,680	$833[v] or 900[w]
1916.....	131[98]	12,770[98]	$600[100]	185[98]	17,251[98]	$600[100w]
1917.....	178[98]	14,865[98]	$600[100]	201[98]	18,039[98]	$600[100w]

[98] *Ann. Rept. Minn. Inspector of State High Schools, 1917* p. 6.

[99] *Ibid.* p. 12.

[100] *Gen. Laws of Minn., 1915* chap. 296 sec. 7 p. 417.

[101] *Ibid., 1917* chap. 437 sec. 8 p. 667.

[102] *Rept. of Minn. High School Board, 1894* p. 8.

[103] *Ibid., 1905* p. 13.

[104] *Ann. Rept. Minn. Inspector of State High Schools, 1914* p. 32.

[s] See p. 65.

[t] See p. 66.

[u] All in Duluth, St. Paul, and Minneapolis.

[v] State aid provided under Putnam Act. See p. 65.

[w] State aid provided under Benson-Lee Act. See p. 66.

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In 1916-17 there was not a single high school in the state which did not offer either manual training or domestic science.[105]

It is to be observed that the number of schools offering manual training shows three distinct periods of marked increase. These are 1910, when aid was granted by the Putnam Act; in 1912, when further aid was granted by the Benson-Lee Act; and 1916 when aid was granted separately to such departments. The same periods of marked growth may be noted in the progress of home economics.

TABLE XXII

COMMERCIAL TRAINING DEPARTMENTS AND ENROLLMENT IN MINNESOTA—1903–17

YEAR	NUMBER OF CLASSES IN STATE	ENROLLMENT IN STATE	AMOUNT OF STATE AID
1903–4	1[106]	....[x]	None
1907–8	Shorthand 20[107] Typewriting 27	....[x]	None
1909–11	Shorthand 28[108] Typewriting 39	....	$833[y]
1911–12	Shorthand 43[108] Typewriting 53	Bookkeeping 2,644[108] Shorthand 1,414 Typewriting 1,627	$833[y] or 500[z]
1913–14	Shorthand 56[108] Typewriting 67	Bookkeeping 2,640[108] Shorthand 1,562 Typewriting 2,026	$833[y] or 900[z]
1915–16	56[109]	8,285[109]	600[110]
1916–17	82[109]	15,718[109]	600[110]

COMMERCIAL DEPARTMENTS

Commercial departments first received special aid in 1915; $600 was the amount set for each department. This provision

[105] *Ann. Rept. Minn. Inspector of State High Schools, 1917* p. 12.

[106] *Rept. Minn. High School Board, 1905* p. 12.

[107] *Ann. Rept. Minn. Inspector of State High Schools, 1908* p. 19.

[108] *Ibid., 1914* p. 32.

[109] *Ibid., 1917* p. 6.

[110] *Gen. Laws of Minn., 1915* chap. 296 sec. 7 p. 417.

[x] Not given in reports.

[y] State aid provided only by the Putnam Act. See p. 65.

[z] State aid provided by the Benson-Lee Act. See p. 66.

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is still in force. It is very difficult to secure complete data concerning commercial work offered before state aid was given it. The table on page 68 will give some idea of the increase in the number of departments.

Aid to School Libraries

In 1887, provision was made for state aid to school libraries. Any district purchasing books from the list of books recommended by the department was entitled to a refund of one half the money expended. The total aid the first year, however, was not to exceed $20, the second year, $10, and $5 thereafter.[111]

In 1895 this was amended to give $20 aid the first year and $10 for subsequent years.[112]

In 1915 additional annual aid for libraries was provided. This amounts to $10 for each teacher employed, with a maximum of $25 per building. In order to receive this, the district must appropriate a like amount for the same purpose.[113]

Summary

The purposes for which the Annual Fund is appropriated and its lawful uses in general are evident from the preceding discussion of its disbursement. The laws, however, specifically forbid its use for the purchase of sites or for the erection of schoolhouses.[114]

In considering these appropriations for state aid, it should be remembered that districts may receive state aid under several provisions at the same time. For example, a district supporting a state high school might receive (1) high-school aid, $1,800; (2) aid for agricultural department, $1,000; (3) for commercial department, $600; (4) for association with rural schools, $150 for each associated school; (5) for library, $25 per building; and (6) for tax levy above 20 mills, one third the amount raised by levy above 20 mills. As a matter of fact, the Public Education Commission reported in 1914 that one fifth of the rural schools in fourteen counties were receiving more from the state than they raised by local taxation.[115]

[111] *Gen. Laws of Minn., 1887* chap. 121 p. 205.

[112] *Ibid., 1895* chap. 85 p. 207.

[113] *Ibid., 1915* chap. 296 sec. 10 p. 417.

[114] *Ibid., 1911* chap. 341 sec. 3.

[115] *Public Educ. Commission, Rept. to the Governor* p. 30.

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The following table shows the amount of school revenues furnished each year by the Annual Fund.

TABLE XXIII

AMOUNT OF SCHOOL REVENUE DERIVED FROM THE ANNUAL FUND—1878–1916

YEAR	AMOUNT OF THE ANNUAL FUND	PER CENT OF TOTAL SCHOOL REVENUE FURNISHED BY THE ANNUAL FUND[aa]
1878	$ 9,000[116]	.3+[124]
1880	20,000[117]	1+[125]
1885	23,000[118]	.8+[126]
1890	25,000[119]	.5+[127]
1895	38,000[120]	.7+[128]
1900	85,000[121]	1+[129]
1905	450,813.00[122]	4+[130]
1910	870,084.00[123]	6+[131]
1915	1,777,599.50[132]	11+[133]
1916	1,950,909.00[132]	11+[133]

Probably the most surprising fact revealed by this table is that the form of school support most talked of at present furnishes only a little more than one tenth of the total school revenues of this state. It also shows the growing importance of the Annual Fund, which furnished only three tenths of 1 per cent

[116] *Gen. Laws of Minn., 1878* sec. 5.

[117] *Ibid., 1879* chap. 27 sec. 2.

[118] *Ibid., 1883* chap. 40 sec. 1.

[119] *Ibid., 1887* chap. 256 sec. 1.

[120] *Rept. Minn. Supt. of Public Instr., 1895-96* p. 7.

[121] *Ibid., 1899-1900* p. 4.

[122] *Ibid., 1905-6* p. 347.

[123] *Ibid., 1909-10* p. 256.

[124] *Ibid., 1878* p. 309.

[125] *Bienn. Rept. Minn. State Auditor, 1881-82* p. 21.

[126] *Rept. U. S. Commissioner of Educ., 1885-86* p. 20.

[127] *Ibid., 1890-91* 1:20

[128] *Ibid., 1895-96* 1:lxx.

[129] *Rept. Minn. Supt. Public Instr., 1901-2.*

[130] *Rept. U. S. Commissioner of Educ., 1905* 1:410.

[131] *Ibid., 1910* 2:678.

[132] *Rept. Minn. Dept. of Educ., 1915-16* p. 115.

[133] *Ibid.* p. 9.

[aa] Percentages in this column are computed on the basis of total revenues exclusive of balances on hand and income from the sale of bonds. The numbered footnotes give the sources for the total revenue for that year.

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or one three-hundredth of the total school revenues in 1878, and now furnishes 11 per cent, or more than a tenth of them.

Other Types of Special Aid

Two other forms of state aid are closely parallel to those administered from the Annual Fund. These are the special aid to classes for defective pupils and to poor districts. The moneys, however, for these forms of aid are derived from the proceeds of the state school tax or Current School Fund. For that reason, discussion of them is reserved for Chapter VI.

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CHAPTER VI

HISTORY OF STATE SCHOOL TAXATION

If education is a function of the state, it is evident that the support of schools can not be left entirely to the individual districts with their widely varying degrees of wealth and intelligence. The levying of a state school tax is a recognition of the right and duty of the state to provide public schools. Such a tax serves to insure certain moneys for every district. It is also a means for encouraging local reports to the state department. Properly disbursed, it should help to equalize the burdens of school support.

In any discussion of school taxation, it is necessary to distinguish clearly between a true state school tax and a local tax levied at the direction of the state. A true state school tax is levied upon all of the property of the state and disbursed for the good of the state school system as a whole. On the other hand, state law may provide for compulsory local tax which is levied upon all of the property in the state, but the proceeds of which are returned to the local unit raising them. With this distinction in mind, we may say that Minnesota has had three types of school taxation which were required by state law. 1. From 1858 to 1877, the so-called state school tax was a compulsory county tax; 2. Since 1877, the so-called county 1-mill tax has been a compulsory district tax; 3. Since 1887, there has been a true state school tax. The first two are properly local taxes and will be considered as such in Chapter VII.

From its earliest state history, Minnesota had been accustomed to local school taxes required by law. In 1887 a law provided for the levying of a 1-mill state tax. The proceeds of this tax were to be added to the income from the Permanent School Fund and apportioned on the same basis. This whole amount was known as the Current School Fund.[1] Such a tax was in harmony with suggestions made by the state superintendents as early as 1867.[2] It was the first form of state school support other than that drawn from federal land grants. From state reports of

[1] *Gen. Laws of Minn., 1887* chap. 41 sec. 84 p. 97.

[2] *Annual Rept. Minn. Supt. of Public Instr., 1867* p. 52.

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the time it does not appear that there was any particular opposition to the passage of the law providing for this tax. No change has ever been made in it.

At present the state tax of .23 of a mill for the support of the state university is levied with the state school tax.[3] No change, however, has ever been made with regard to the rate of the school tax proper.

From 1888 to 1915, the proceeds of the state tax were added to the income from the Permanent School Fund and apportioned with it.[4] In 1915, however, it was provided that $150,000 should be set aside from the state school tax to be used for the following purposes: (1) to aid poor districts; (2) to make up deficits in special aid appropriations; (3) to pay the tuition of non-resident pupils in special departments in state high, graded, or consolidated schools.[5] The same year a further provision directed that money for the aid of classes for defectives should be taken from the Current School Fund.[6a] These uses are discussed in Chapter II.

Conditions of participation in the proceeds of the state school tax and its lawful and forbidden uses have all been discussed under the history of the Endowment Fund with which it has always been apportioned with the exception noted above. The growth of classes for defectives has been described in Chapter II.

The following table shows the amounts derived each year from the state 1-mill school tax. The gradual but steady increase in the proceeds from $409,072 in 1888 to $1,423,480 in 1916, an increase of more than 200 per cent in twenty-eight years, is an example of how the growing wealth of the state increases the moneys raised on a constant tax levy. An annual levy of a certain number of mills instead of the appropriation of a fixed sum of money would make the Annual Fund a far more satisfactory means of school support.

[3] *Laws of Minn. Relating to Schools, 1915* chap. 7 sec. 176 p. 59.

[4] *Gen. Statutes of Minn., 1913* sec. 2915 p. 648.

[5] *Gen. Laws of Minn., 1915* chap. 296 sec. 13 p. 418.

[6] *Ibid.* chap. 194 p. 258.

[a] Current School Fund is the title provided by the *Laws of Minnesota, 1913*, for the proceeds to the state 1-mill tax.

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TABLE XXIV

PROCEEDS OF THE STATE 1-MILL TAX—1888–1916

YEAR	AMOUNT OF THE STATE 1-MILL SCHOOL TAX	PER CENT OF TOTAL SCHOOL REVENUES DERIVED FROM THE STATE 1-MILL SCHOOL TAX[b]
1888	$409,072.58[7]	.11+[13]
1890	514,390.69[8]	.11+[14]
1895	647,015.39[9]	.13+[15]
1900	600,190.05[10]	.12+[16]
1905	814,051.45[11]	.08+[17]
1910	1,093,192.99[12]	.07+[18]
1915	1,377,184.30[19]	.08[21]
1916	1,423,480.45[20]	.08[22]

The state school tax in Minnesota has never been treated as particularly important. It furnishes a decreasing percentage of the school revenues. The fact that it is disbursed with the Endowment Fund has made it less conspicuous than it might otherwise have been. State aid by special appropriations is nine years older than the true state school tax, and the immediate benefits of special appropriations have been so much more evident than those from the state school tax that discussion has centered around special aid, while little or no mention has

[7] *Bienn. Rept. Minn. State Auditor, 1887-88* p. 23.

[8] *Ibid., 1889-90* p. 31.

[9] *Ibid., 1895-96* p. 77.

[10] *Ibid., 1899-1900* p. 41.

[11] *Ibid., 1905-6* p. 65.

[12] *Ibid., 1909-10* p. 74.

[13] *Rept. U. S. Commissioner of Educ., 1888-89* 2:686.

[14] *Ibid., 1890-91* 1:20

[15] *Ibid., 1895-96* 1:lxx.

[16] *Rept. Minn. Supt. of Public Instr., 1901-2.*

[17] *Rept. U. S. Commissioner of Educ., 1905* 1:410.

[18] *Ibid., 1910* 2:678.

[19] *Bienn. Rept. Minn. State Auditor, 1915-16* p. 75.

[20] *Ibid.* p. 83.

[21] *Rept. Minn. Dept. of Educ., 1915-16* p. 9.

[22] *Ibid.*

[b] Percentages in this column are computed on the basis of total revenues exclusive of balances on hand and income from the sale of bonds. The numbered footnotes give the sources for the total revenue for that year.

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been made of the state school tax. It should be borne in mind that the proceeds of the state school tax do not arise from the same sources as does the income from the Permanent Fund, and that the constitution does not determine the apportionment of the revenues arising from the tax. For that reason, the proceeds of the tax certainly should be disbursed upon some more scientific basis than that now used.

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CHAPTER VII

HISTORY OF LOCAL SCHOOL SUPPORT IN MINNESOTA

In a study of the schools of a state, local school support is of interest as an index to one of the effects of the system of state school support. The present chapter does not purport to give a complete study of local school support in Minnesota, but merely to present some of the important facts which are most closely related to the welfare of the state school system as a whole. Detailed information concerning local moneys is not available from state reports. No attempt will be made to trace special tax legislation which affects only the few large cities and special districts. The sale of bonds is not treated, since the money for their payment comes from the sources discussed here.

Local school support in Minnesota is derived from two sources, namely: taxation and fines. Taxes for local school support are divided into two kinds, compulsory and voluntary or special taxes designated as district taxes. The only compulsory local tax is the county school tax of 1-mill required by state law. Its proceeds are returned to the school district in which the property taxed is situated. The law provides that "the tax levied by school districts shall be known as the district school tax."[1] These are the terms provided in the statutes. "Local" and "special" are titles which are sometimes used more loosely.

Minnesota has had two kinds of compulsory local taxes, namely: county and district. That is, from 1858 to 1877 the proceeds of the compulsory school tax were returned to the counties in which they were collected. Since 1877 the proceeds of that tax have been returned to the district in which they have been collected. This is a matter of greater importance than may at first appear. If the moneys are returned to the county, the county may apportion them on a basis of school population or attendance or on some other basis better suited to equalize educational needs. The district, however, is so small a unit that a tax which is returned to the district raising it loses all chance of helping to equalize school burdens.

[1] *Gen. Statutes of Minn., 1913* sec. 2916.

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TABLE XXV

INCOME FROM THE COUNTY SCHOOL TAX—1858–74

YEAR	RATE IN MILLS	AMOUNT RECEIVED FROM TAX	PER CENT OF TOTAL SCHOOL REVENUES RECEIVED FROM THE COUNTY SCHOOL TAX[a]
1858	2½	$83,693.55[2]	....[b]
1859	2½	71,152.58[2]	....[b]
1860	2½	73,303.63[2]	....[b]
1861	2½	79,963.02[2]	....[b]
1862	2	59,665.43[2]	....[b]
1863	2	63,321.53[2]	....[b]
1864	2	82,444.52[2]	....[b]
1865	2	90,254.63[2]	....[b]
1866	2	115,948.70[2]	26+[4]
1867	2	144,935.88[2]	19+[5]
1868	2	151,527.00[3]	18+[6]
1869	2	156,656.00[3]	19+[7]
1870	2	164,638.00[3]	21+[8]
1871	2	159,535.00[3]	15+[9]
1872	2	203,046.00[3]	20+[10]
1873	2	224,190.00[3]	23+[11]
1874	2	443,193.00[3]	35+[12]

When Minnesota became a state in 1858 it retained its territorial law providing for a compulsory school tax levy of 2½ mills.[13] Up to the time of the admission of the state no moneys

[2] *Rept. Minn. Supt. of Public Instr., 1867* p. 52.

[3] *Ibid., 1879* p. 29.

[4] *Rept. U. S. Commissioner of Educ., 1886-87* p. 76.

[5] *Ibid., 1887-88* p. 78.

[6] *Ibid., 1888-89* 2:686.

[7] *Ibid., 1890-91* 1:20.

[8] *Ibid., 1891-92* 1:66.

[9] *Ibid., 1892-93* 1:34.

[10] *Ibid., 1893-94* 1:19.

[11] *Ibid., 1894-95* 1:lii.

[12] *Ibid., 1895-96* 1:lxx.

[13] *Gen. Statutes of Minn., 1861* chap. 11 sec. 58 p. 71.

[a] Percentages in this column are computed on the basis of total revenues as stated in the numbered footnotes.

[b] No statement of total expenditures found in any report available.

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had been available from the federal land grants. Upon the admission of the state, these lands became available for use. Therefore, in 1862 the rate of the county school tax was reduced to 2 mills.[14] The proceeds of this tax were returned to the county and apportioned by it to the districts upon the same basis as were the state funds; that is, upon school population until 1887, and upon school enrollment thereafter. In 1873 a new system of assessing the value of taxable property was adopted. It was supposed that this method would increase the property valuation of the state sufficiently so that a 1-mill tax levy would produce practically as much revenue as the 2-mill tax levy had formerly produced.[15] Accordingly, the *county* school tax was reduced to 1 mill.[16] The proceeds, however, fell from $443,193 in 1874 to $216,071 in 1875.[17] The rate, nevertheless, remained 1 mill. In 1873 this tax was changed to a district tax.[18] Table XXV shows the amounts received from the mill tax during the time it was returned to counties.

In 1873 this county school tax was changed to a district tax of 1 mill, that is, the proceeds were returned to the districts in which they were collected. Of the evil results of this change from a county to a district tax, the state superintendent wrote in 1880:

> We have no method for equalizing to any extent upon the property of the state any part of the cost of our common schools. We began in 1858 with such a plan applied to counties as units of taxation. At first a tax of two-and-one-half mills was collected into county treasuries and disbursed equally upon the children of the counties. As the property of state increased, this rate was reduced until it became one mill. . . . . But the selfishness of the cities prevailed. In 1874 our legislature, not understanding the result of its action, dropped counties as units of taxation and distribution and substituted petty school districts of which we have about 4,000, differing in size from six miles square, to not over two sections. In these districts . . . a rate of one mill is laid by county commissioners, but the tax is returned not as formerly upon scholars, but to each district in the exact amount which its property yields. . . . Thus with 4,000 different bases of taxation, ranging in valuation of property from poverty to abundant wealth, we have schools

[14] *Gen. Laws of Minn., 1861* chap. 1 sec. 35 p. 28.

[15] *Rept. Minn. Supt. of Public Instr., 1876* p. 42.

[16] *Ibid.* p. 43.

[17] *Ibid.*

[18] *Gen. Laws of Minn., 1873* sec. 42 p. 65.

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so diverse in number of scholars, length of terms and quality of teaching, that it seems ridiculous to call them a system. . . . And why should we not demand for Minnesota what exists in a majority of our most progressive states? I mean a state school tax apportioned on scholars.[19]

In 1916, the state superintendent wrote:

There is neither hope nor justice in such a [district] system. No scheme of state aid will ameliorate this condition. The only just solution is the county as a unit for school support as well as for administration and supervision.[20]

Since the system was first adopted, no word of defense of the district school tax appears to have been offered by any educator. The only apparent reason for keeping such a plan seems to be some lingering idea that education is a private or local affair, and that one locality should not be called upon to aid education in another. Such a prejudice appears not to have been preserved anywhere in the Minnesota system except in the matter of the disbursement of the county 1-mill tax.

Special taxation by local school units for the support of schools has always been permitted in Minnesota.[21] The voluntary local taxes are known as special or district taxes. Such taxes have been levied since the earliest history of the state. It is strange to observe that although many districts have frequently failed to levy adequate and, in some cases, any, special taxes, the law has been content with providing a maximum rate which a district may not exceed in its levy. In 1878, the state superintendent wrote:

In many hundreds of our school districts there is less need of a maximum limit to taxation than of some plan that will secure an amount of special taxation equal to the real ability of the people.[22]

The same problem is still a matter of agitation in connection with state aid.

In 1861 the statutes provided that no property in the state should be taxed more than 5 mills for school purposes in any one year nor more than 10 mills for building schoolhouses.[23] In 1866 the levy for building purposes was reduced to 8 mills "unless

[19] *Rept. Minn. Supt. of Public Instr., 1879-80* p. 212.

[20] *Rept. Minn. Dept. of Educ., 1915-16* p. 35.

[21] *Rept. Minn. Supt. of Public Instr., 1878* p. 24.

[22] *Ibid.* p. 27.

[23] *Gen. Laws of Minn., 1861* chap. 11 sec. 27 p. 62.

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eight mills does not raise $600."[24] In 1877 the statutes provided that the qualified voters should fix the amount to be raised and the county auditor should compute the necessary rate of levy. The levy was not to exceed 9 mills for school support and 1 mill for building purposes.[25] The Statutes of 1878 contained contradictory provisions concerning school taxation. The first is the same as that just quoted from the laws of 1877 except that instead of "one-mill," "one per cent" may be levied for building purposes.[26] This is the same as the levy for that purpose permitted by the laws of 1861, and was probably the intention of the legislators of 1877. The provision of 1878 which conflicts with this limits the tax for buildings and sites to 8 mills unless that will not raise $600. It adds that no district shall vote a school tax of more than $200 in any one year.[27] The Statutes of 1899 repeat the provision limiting the district school tax to 9 mills for the support of schools and 1 per cent for building purposes.[28]

In 1905 the limit upon taxation in common districts was raised to 15 mills for support. No district having less than ten voters, however, could vote a district school tax to exceed $300. An independent district could not levy more than 8 mills for building purposes, but was not restricted as to levy for current support of schools.[29]

In 1913 an additional provision permitted any common-school district having a high school or a graded school to levy not to exceed 25 mills for school support. The maximum amount to be raised in a district having not more than ten voters was increased to $400.[30]

In connection with the limit put upon district taxation, it should be remembered that the State gives not to exceed $200 in special aid to each school in any district not having a state high or graded school where a levy of 15 mills does not raise $500 for each school in session seven months.[31]

[24] *Gen. Laws of Minn., 1866* chap. 36 sec. 26 p. 303.
[25] *Ibid., 1977* chap. 6 sec. 79 p. 33.
[26] *Gen. Statutes of Minn., 1878* chap. 11 sec. 49 p. 226.
[27] *Ibid., 1878* chap. 36 sec. 19 p. 470.
[28] *Ibid., 1899* sec. 1558 p. 419.
[29] *Revised Laws of Minn., 1905* sec. 1415 p. 1409.
[30] *Gen. Statutes of Minn., 1913* sec. 1917 p. 648.
[31] *Gen. Laws of Minn., 1915* chap. 296 sec. 13 p. 418.

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Inasmuch as common-school districts levy far lower taxes for support of schools than do either the special or the independent districts, these limitations upon the tax levy in common districts seem almost satirical. No limit is put upon the amount of district tax for support which may be levied by the independent districts, some of which levy as much as 51 mills.

As was pointed out in Chapter I, the local school units raised $4.03 for every dollar of state school funds disbursed in 1915-16.[32] The matter of most vital interest to Minnesota schools is not revealed, however, in these figures. It must be borne in mind, as was said in Chapter I, that the Minnesota school problem is that of the rural schools. The greatest interest in this matter of district taxation concerns the comparison between the tax levies of the common and of the independent and special districts. This is one of the subjects upon which very little information is available. Such data as can be found, however, all bear out the statement that the rural districts are not bearing as great a burden of school taxation as are the cities.

TABLE XXVI

COMPARISON OF VOLUNTARY SCHOOL TAX RATE LEVIED IN COMMON AND INDEPENDENT AND SPECIAL DISTRICTS

YEAR	STATE AVERAGE OF SCHOOL-TAX LEVY IN SPECIAL AND INDEPENDENT DISTRICTS[c]	STATE AVERAGE OF SCHOOL-TAX LEVY IN COMMON DISTRICTS[c]
1875	7.5[33]	4.7[33]
1890	11.4[34]	6.9[39]
1891	11.8[35]	5.5[40]
1892	10.2[35]	7. [40]
1910	18.8[36]	6.18[36]
1916	21.4[37]	7.4[37]
1917	20. [38]	6. [38]

[32] *Nineteenth Bienn. Rept. Minn. Dept. of Educ., 1915-16* p. 184 Table 16.

[33] *Rept. Minn. Supt. of Public Instr., 1875* p. 47.

[34] *Ibid., 1889-90* p. 253.

[35] *Ibid., 1891-92* p. 158.

[36] *Ibid., 1909-10* p. 13.

[37] *Rept. Minn. Dept. of Educ., 1915-16* p. 187.

[38] *Ibid.* p. 217.

[39] *Rept. Minn. Supt. of Public Instr., 1889-90* p. 257.

[40] *Ibid., 1891-92* p. 160.

[c] These figures are only for the counties having the largest graded schools.

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These figures show that a lower rate of taxation in common-school districts is a condition of long standing. They show, also, that the difference between the rate in common and in independent districts tends to become greater. In 1875, the levy in common districts was 62 per cent of that in special and independent districts. In 1890 it was 60 per cent; in 1910, it was 32 per cent; and in 1917, 30 per cent. In no year for which we have record here have the common districts ever levied as many mills of school tax as did the special and independent districts in 1875. From 1875 to 1917, the levy in special and independent districts nearly tripled; in the same period the levy in common districts increased by less than a third. These facts reveal the most serious defect in the present Minnesota school system, namely: the indifference of the taxpayer of the common-school districts. As long as the citizens of these districts are permitted to contribute so little to the support of their schools, so long will the problem of rural-school support remain unsolved.

Besides the revenues derived from taxation, local school funds have always received certain fines and forfeitures. The laws of 1858 provided that the school funds should receive fines for violations of laws in the following matters: (1) setting prairie or forest fires;[41] (2) disturbing religious meetings;[42] (3) illegal fishing;[43] (4) hours of manual labor.[44] In 1861, the *Act Establishing a Common School System for the State of Minnesota* provided:

> As a further provision for the support of schools, there shall be set apart by the county treasurer of each county the proceeds of all fines for the breach of any penal laws not otherwise provided by law.[45]

This provision continued in force until 1897.[46] At present the schools receive only such fines as are definitely assigned to them. The ones at present payable to the school fund are named in Chapter III. The state reports so often record the proceeds of amounts derived from fines and forfeitures with the amounts derived from other sources that it is impossible to compute them for most years.

[41] *Gen. Laws of Minn., 1858* chap. 28 p. 62.

[42] *Ibid.* chap. 31 p. 65.

[43] *Ibid.* chap. 45 p. 105.

[44] *Ibid.* chap. 66 p. 154.

[45] *Gen. Statutes of Minn., 1861* chap. 11 sec. 58 p. 71.

[46] *Ibid., 1897* chap. 75 p. 81.

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CHAPTER VIII

CONCLUSION

EFFECTS OF THE PRESENT SYSTEM OF SCHOOL SUPPORT—RECOMMENDED REFORMS IN SCHOOL SUPPORT

Many facts combine to make it very difficult to ascertain definitely the effects of any method of school support. Evidences of these results must be sought in the development of the school system, and any school system is acted upon by many causes besides the method of support. Furthermore, the facts concerning some phase of school support or progress are frequently left unrecorded and unreported until particular interest is directed toward them.

The effects of any system of school support may well be viewed in the light of its purpose. The following aims have been of importance in the history of Minnesota school support: (1) to equalize educational opportunities and burdens; (2) to stimulate local school support; (3) to foster certain types or departments of instruction; (4) to furnish state authorities a lever for unifying, standardizing, and elevating the entire system.

Let us now try to discover the extent to which Minnesota has worked toward the realization of these aims.

As has been pointed out, the Current School Fund is apportioned upon a basis which does not affect school standards or practices in the least. To share in it a district must have a school term of six months.[1] This provision was adopted in 1915 although the average term for the whole state for 1914 was eight months.[2] To be counted in the number of scholars determining the district's apportionment, a pupil must attend school 40 days.[3] In 1914, the average pupil attended school 96.4 days.[4] The fund does, however, serve to keep the local units in touch with the State Department of Education. Until the introduction of special state aid, the apportionment of the Current

[1] *Session Laws of Minn., 1915* chap. 296 sec. 3 p. 416.

[2] *Rept. of U. S. Commissioner of Educ., 1916* 2:30 Table 2.

[3] *Session Laws of Minn., 1915* chap. 296 sec. 3 p. 416.

[4] *Rept. of U. S. Commissioner of Educ., 1916* 2:22 Table 3.

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Fund gave the only means for securing reports from local school officers. For districts not receiving special aid, it is still the chief, if not the only, strong incentive to coöperation with the state department.

The mode of disbursement of the portions reserved from the proceeds of the state 1-mill tax shows an effort to equalize school opportunities and burdens, and to encourage new types of instruction. Of the proceeds of this tax, $150,000 are apportioned to the aid of districts not maintaining a state graded or high school, where a special tax levy of 15 mills does not raise $500 for each school in session seven months.[5] Inasmuch as the average rate of special school tax in rural and semi-graded districts in many counties falls as low as 3 or 4 mills,[a] it is evident that the 119 schools aided on this basis in 1916[b] were making more than an average sacrifice for the purpose of local school support.

A second use of the proceeds of this tax is the payment of the tuition of non-resident pupils in the industrial departments of state high or graded schools.[6] The rules of the State High School Board provide that such tuition shall not exceed $1 a month for each industrial subject taken by such a pupil.[7] No other tuition is paid for such pupils in state high schools. Since more than one seventh of the high-school enrollment in Minnesota is non-resident, and 7 high schools have more than 50 per cent of non-resident pupils,[8] it is evident that $1 per month for the industrial subjects only is not enough to reimburse the district for its outlay for the education of non-residents. It should be said, however, that state aid was originally supposed to recompense the high school sufficiently for the instruction of these pupils.

The apportionment of money from the Current Fund for the benefit of classes for defectives is a type of special aid, except for two facts: (1) that the moneys are taken from the Current Fund and not from special appropriations, and (2) that it is

[5] *Session Laws of Minn., 1915* chap. 296 sec. 13 p. 418.

[6] *Ibid.*

[7] *High School Board Rules Relating to High and Graded Schools, May 1916* p. 41.

[8] *Ann. Rept. Minn. Inspector of State High Schools, 1917* p. 10.

[a] See Table III.

[b] See Table IX.

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under the control of the state superintendent instead of that of the State High School Board.[9] Its effects are already apparent. Previous to the passage of this law in 1915, the only classes for such pupils were in the three cities of Minneapolis, St. Paul, and Hibbing.[10] In 1915 8 cities of the state maintained 35 classes for defective pupils.[11] Such special aid is directly in line with the best educational plans of the present time and may well serve as a type of what properly administered special aid can do.

Special state aid in Minnesota has been particularly directed towards the encouragement of new types of education or the improvement of the existing forms. The high school, graded school, and rural school have received state aid upon condition of maintaining certain standards. The new types of education fostered by state aid include: (1) agriculture, (2) home economics, (3) manual training, (4) commercial training, (5) teacher training, (6) consolidated schools.

Opinion appears to be unanimous in approving the effects of state aid to graded and high schools. R. A. Kent writes:

> State aid to high schools in Minnesota has accomplished results highly commendable. It has caused high schools to increase in number rapidly. It has made it possible for the state to be extraordinarily well provided with secondary educational advantages in its small cities and villages. Requirements raised from time to time by a state board, with close inspection by an impartial, unattached professional agent of the board have given the state's system of high schools enviable rank.[12]

State aid to graded schools is generally regarded with favor. Kent writes:

> Graded school aid has without doubt lengthened the school year, raised teaching efficiency, and bettered the physical conditions under which instruction is given in these schools.[13]

The total result of state aid to semi-graded and rural schools is of more doubtful value. On the one hand, it is true that the state moneys disbursed have been spent in most cases for the betterment of these schools. No one familiar with neglected

[9] *Session Laws of Minn., 1915* chap. 194 p. 259.

[10] *Bienn. Rept. Minn. Dept. of Educ., 1915-16* p. 45.

[11] *Ibid.*

[12] R. A. Kent, *State Aid*, p. 54.

[13] *Ibid.* p. 61.

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rural schools can fail to be impressed by the fact that every Minnesota rural school receiving state aid has complied in some measure at least with the State High School Board requirements, which include, among other things, a bubbling drinking fountain and a ventilating system. On the other hand there is reason to believe that the money for these improvements has come too easily to these districts. State moneys have been regarded as a substitute for, instead of a supplement to, the local revenue. Although the rural schools have improved in comparison with their own past condition, they have not improved in proportion to the amount of state aid given them.

Of their improvement, the state superintendent wrote in 1900:

> In the rural and semi-graded schools progress and improvement in conditions and environment are equally noticeable. The average duration of the term of school in these schools is rapidly being lengthened. The average length of the term in country schools was lengthened by eight days last year.[14]

In 1916, the state superintendent wrote:

> Rural schools have made notable progress. Of 7,409 schools, 6,517 [more than 87 per cent] are rendering a service that entitles them to special state aid. . . . Our rural schools, especially the 6,517 state-aided, are well equipped with heating and ventilating systems, good maps, globes, and slate blackboards, good desks, (many are single and adjustable), bubbling drinking fountains, good text-books and library books.[15]

On the other hand, some of the facts which tend to discredit state aid to rural schools are that: (1) it is distributed without sufficient state inspection or supervision;[16] (2) an increasing number of these districts are being enabled to maintain schools for so small a number of pupils that the expense is unreasonably great in comparison with other types of instruction;[17] (3) these districts furnish the poorest type of education offered in the state and make the smallest tax levies.

The objection that state aid to rural schools is administered without proper inspection or supervision has been made repeatedly by state reports.[18]

[14] *Rept. Minn. Supt. of Public Instr., 1899-1900* p. 16.

[15] *Rept. Minn. Dept. of Educ., 1915-16* p. 33.

[16] *Public Educ. Comm. Rept. to Governor, 1914* p. 19.

[17] R. A. Kent, *State Aid*, p. 90.

[18] *Rept. Minn. Supt. of Public Instr., 1905-06* p. 9.

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The accusation that state aid is permitting, if not encouraging, the continuance of schools which are too small to insure the best results is a serious one. Kent points out that the "20 to 30" pupil school is the typical Minnesota rural school, and that the less-than-10-pupil school costs about two and one-half times per pupil what the typical school costs.[19]

During the last ten years the number of schools enrolling fewer than 10 pupils has increased from 252 to 432,[20] a gain of almost 100 per cent. The state superintendent of education writes concerning these schools:

> It seems none too soon that these districts were automatically dissolved by law.[21]

And Kent writes:

> By encouraging the maintenance of the dwarf rural school, by having attached to its bestowal no conditions regarding enrollment, local taxation, local assessed valuation and with extremely imperfect possibilities of checking whether the conditions presumed to be met, have been met, state aid as it is at present distributed to the rural schools of Minnesota acts positively as a barrier to the advancement of the best interests of these schools and their patrons.[22]

The third objection to the present mode of aiding rural schools is that special state aid as now distributed permits the rural districts at once to furnish the poorest educational opportunities and to make the smallest school-tax levy of any class of districts in the state. The fact that the quality of the school is poor would seem at first glance to be ample reason for state aid. The fact that the average tax levy in rural and semi-graded districts is uniformly less than in graded and high-school districts is evident from Table III. And Kent says of rural schools in Minnesota:

> The influence of state aid is negative. Lower local school taxes accompany increases in state aid. So far as a special tax for school maintenance is a measure of local effort, state aid to rural schools has not been an incentive to such effort.[23]

All of these data point to the conclusion that the money from state aid has improved the equipment in rural schools. But the system has actually harmed the schools by making it

[19] R. A. Kent, *State Aid*, p. 90.

[20] *Rept. Minn. Dept. of Educ., 1915-16* p. 35.

[21] *Ibid.*

[22] R. A. Kent, *State Aid*, p. 91.

[23] *Ibid.*

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possible to maintain "dwarf" schools, and by encouraging the growth of local indifference to the schools and their support.

There is no question whatever as to the failure of aid to rural schools for association. The state high-school inspector wrote in 1917:

> As a state wide policy, association of rural schools with a central school as a means of improving the rural schools is not satisfactory. . . . Withdraw state aid for association and the entire fabric which has been building for eight years would fall to pieces. In few places has it brought lasting good to either party to the contract.[24]

In the growth of new types of education, the effects of the Annual Fund are evident. The six new types enumerated on page 85 have grown very rapidly since the granting of state aid. This encouragement of the introduction of new departments of instruction is one of the most important functions for state aid. Whether state support for such departments should continue after the subjects have become a recognized part of the school system is under debate at the present time. The action of the 1917 session of the legislature in ceasing to offer aid to districts on account of departments of domestic economy and manual training appears to indicate that aid is to be withdrawn from well-established departments. Certainly manual training and domestic economy are no longer new public-school subjects. In 1916-17 there was no high school in the state which did not offer one or the other. The most serious objection to withdrawing aid from them arises from the fact that no warning was given beforehand.

Teacher-training departments in Minnesota came into existence with the granting of state aid to them. The policy of the department in regard to them appears to be settled, and there is no reason to think that it will be changed soon.

Tables given in Chapter V show the growth in the number of agricultural and commercial departments which has resulted from each additional grant to districts offering these subjects in their schools.

Consolidated schools show unmistakable evidence of the result of state aid. After nine years of permission to districts to consolidate, the state superintendent wrote in 1910:

[24] *Ann. Rept. Minn. Inspector of State High Schools, 1917* p. 12.

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Comparatively little progress in rural school consolidation has been made, and it seems certain that little will be, through the mere argument that better schools will follow.[25]

In 1911 aid was first granted to consolidated schools. Thirty-two schools received aid in 1912; this number was more than doubled in 1914, and more than quadrupled in 1916.[c] State aid had accomplished what agitation and encouragement could not do.

Of the success of consolidation in a typical district, the state high-school inspector writes:

Attention is called to the fact that one of this year's additions to the high school list, Villard, is a typical consolidated school. Organized only three years ago by the combination of seven rural districts with a two-room village school, Villard is today a well equipped, well administered, well taught graded school with a high school enrollment of forty-seven and a graduating class of four. Seven out of every nine pupils in this school are brought to the doors from country homes in transportation vans and, best of all, are taken back to these same country homes at the close of each day, to live the home life, to share the home cares with parents and to keep, through the four high school years, an abiding interest in the home which has nurtured them. To me this event is epochal. It tells plainly of the solution of the gravest problem of rural life.

It is worthy of note that seven other consolidated schools, also organized by the combination of rural districts and supported almost entirely by farming constituency, are nearing the high school rank and will soon be seeking admission to the list.[26]

A further purpose in the disbursement of special aid is the stimulation of local school support. For this purpose, the state grants to any district one third of the amount raised in that district by voluntary school tax above 20 mills. This appears to have had the greatest influence in districts supporting graded or high schools. Of the 224 districts supporting high schools, 102 levied a school tax of more than 20 mills for maintenance for 1916-17.[d] Three levied 50 mills or more; Fosston levied 51.3 mills for maintenance on a valuation of $233,943.[d] It can not be said, however, that this state grant has entirely equalized educational burdens. In the same year that Fosston levied 51.3

[25] *Rept. Minn. Supt. of Public Instr., 1909-10* p. 12.

[26] *Rept. Minn. Inspector of State High Schools, 1915* p. 4.

[c] See Table XVI.

[d] See Table III.

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mills on a valuation of $233,943, Hibbing levied 1.1 mills on $128,835,183. Clearly this provision is inadequate to equalize school opportunities or school burdens.

Needed Reforms in School Support

A history of school support is a history of attempted reforms in the method of supporting the public schools. This study opened with a survey of the present system of school support. It seems fitting that it should close with a brief statement of reforms now being urged by those connected with or interested in the public schools of Minnesota.

The writing of a new school code for Minnesota is not a simple matter. The present unsatisfactory one bears witness to the difficulty of the task. In 1912 the Minnesota Educational Association requested the legislature to appoint a commission to report a revised school code. The next year the legislature appointed such a commission, which reported in 1914.[27] The work of this commission was carried out in a thorough and scientific manner. Their report was brief and their recommendations sound. Succeeding sessions of the legislature, however, have entirely ignored their work. In 1917 Governor Burnquist appointed another commission to make recommendations in the same matter. No report from this commission is available at this time. The multiplying of commissions will do no good unless the state legislature at least weighs their suggestions. It is to be hoped that the present commission's report will be as excellent as that of the 1914 commission, and that it will have more influence upon legislation.

Three changes in the administration of the school system are so closely associated with the matter of school support as to deserve mention here. One of the most conspicuous reforms urged at the present time is the restoration of the county as the unit of taxation. As early as 1880 the state superintendent wrote:

> In 1874 our legislature, not understanding the results of its action, dropped counties as the unit of taxation and distribution, and substituted petty school districts of which we have about 4,000, differing in size from six miles square to not over two sections. In these districts, ... a rate of one mill is laid by the county commissioners, but the tax is returned not as formerly upon scholars, but to each district in the

[27] *Public Educ. Commission, Report to the Governor, 1914* p. 7.

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exact amount which its property yields. . . . Thus with 4,000 different bases of taxation, ranging in valuation of property from poverty to abundant wealth, we have schools so diverse in numbers of scholars, length of terms and quality of teaching, that it seems ridiculous to call them a system.[28]

And the present superintendent of education, writing in 1916, says:

We have in Minnesota 7,980 school districts varying in size from two sections to several townships and with valuations ranging from 20,000 to several million dollars. Some districts are too poor to provide a good school under any conditions while others are so rich that a fraction of a mill pays the cost. These two districts may be in the same county, yes, lie adjacent to one another. There is neither hope nor justice in such a system. No scheme of state aid will ameliorate this condition. The only just system is the county as a unit for school support as well as for administration and supervision.[29]

It is generally agreed that the number of rural schools with fewer than ten pupils should be decreased. The state superintendent writes:

A growing cause for concern is the increasing number of schools with an enrollment too small for good work. . . . It seems none too soon that these districts were automatically dissolved by law.[30]

Where great difficulties of transportation or a growing population in a sparsely settled part of the state makes consolidation unwise, special provisions should be made.

In Indiana, the township trustees may 'discontinue and temporarily abandon all schools at which the average daily attendance during the last preceding year has been fifteen pupils or fewer;' they 'shall discontinue and temporarily abandon' schools whose daily average attendance has been twelve or less, though a majority of the patrons of the district may by petition reopen either.[31]

The third reform, which has long been urged, is that provision should be made for adequate supervision of rural schools.[32] This could be done by having the county superintendent appointed by the state on the basis of professional and educational qualifications and by providing for adequate assistance.

[28] *Rept. Minn. Supt. of Public Instr., 1879-80* p. 212.

[29] *Rept. Minn. Dept. of Educ., 1915-16* p. 35.

[30] *Ibid.*

[31] *Rev. Statutes of Indiana, 1914* sec. 6422. (Quoted here from Kent, *State Aid*, p. 81.)

[32] *Rept. Minn. Dept. of Educ., 1915-16* p. 35.

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In the disbursement of the moneys of the Current School Fund, reform is very much needed. The requirements for participation in this fund should be sufficiently increased to exercise an influence upon the standards of the schools. Both the length of school term and days of attendance should be increased. Under the present system, the proceeds of the state 1-mill tax belong in part to the Current School Fund and in part to the special state aid. Therefore any change in the administration of those moneys would include the proceeds of the tax. The most pressing need in the administration of state aid at the present time is that the whole matter be put upon a scientific basis and freed from the uncertainties of politics and biennial appropriations. The money for state aid should be raised by increasing the state school tax.[33]

A general levy of four mills for the state's share in support of public schools would meet all requirement which the present law provides for on the part of the state.[34]

The first requirement for participation in special aid should be a minimum local tax levy. The state superintendent of education recommends 6 mills.[35] Probably this requirement should be made for participation in any form of state support, but it would be necessary to amend the constitution in order to make it apply to the Endowment Fund.

In conclusion it may be added that no mere patching of the system of school support will be adequate. The appointing of a commission on education is useless if its work is to be ignored. A clear knowledge of present conditions and a knowledge of scientific methods of school support are necessary for the formulation of salutary legislation. The generosity of Minnesota's school revenues and the importance of her educational system make the problem of school support one which deserves adequate study and a worthy solution.

[33] *Rept. Minn. Dept. of Educ. 1915-16* p. 33.

[34] *Ibid.* p. 24.

[35] *Ibid.* p. 33.

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